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## NEWS SUMMARY

**GENERAL**  
**Beirut siege**  
gunmen held

The siege of the Canadian Embassy in Beirut ended last night when eight gunmen who had been holding 17 hostages for more than nine hours were released.

The gunmen, who came from the same family, had been pursuing a personal claim on behalf of one of their number, a Mohammed Haymour, who was deported from Canada after being alleged to be insane. They had demanded a ransom of \$450,000 in respect of an land off Vancouver, which Mr. Haymour says, the Canadian government took from him, Mrs. Richard Johns from Beirut.

**Free pardon**  
The eight Canadian soldiers and nine local staff were found to have been misled by the kidnappers who were understood to have negotiated a free pardon.

**Callaghan to sit Iran**  
James Callaghan, Foreign Secretary, is to visit Iran as part of the Iranian Foreign Ministry from March 4-8. Mr. Callaghan's talks are expected to be on the changing economic relationship with Iran in the light of an anticipated 1976-77 oil payments deficit of \$1.5 billion.

**Prison officers not for trial**  
Prison officers were for trial at Birmingham today on charges of beating the six Birmingham pubbers at Winslow Green jail two separate occasions after their arrest in Dublin the "Brixton" trial was turned until Thursday. In last night's trial the officers were found guilty of following another break-in in the talks between the officers and the pubbers.

**Wires cut**  
Icelandic gunboats Baldr and Thors cut the wires of the Icelandic Vandal yesterday. Icelandic media yesterday. Icelandic media yesterday.

**Offshore platform**  
Britain's offshore platform building tripartite committee meets for the first time in London today in a bid to prevent a major downturn of the industry. Page 5

**Price changes yesterday**  
in pence unless otherwise indicated

**BUSINESS**  
**Account starts with rise of 8.3**

● EQUITIES responded to sporadic institutional buying at the start of the Account, but trading volume was low. The FT 30-share index, after gaining 10.6, ended 8.3 higher at 400.2. Rises fell in Industrials by 9.2. Gold Mines index dropped 1.2 to 195.3, its lowest since December 27, 1973.

● GILTS revived, with a brisk trade in shorts, which gained up to 1. High-coupon long rose by as much as 1. Government Securities index was 0.36 higher at 63.17.

● INVESTMENT DOLLAR premium lost 31 on persistent small selling at 102 1/2 per cent.

● ITALIAN LIRA'S devaluation widened to 46.61 (44.58) per cent. Sterling gained 3.5 points at \$2.0250 and its devaluation was unchanged at 30.3 per cent. Dollar was 2.69 (2.68) per cent.

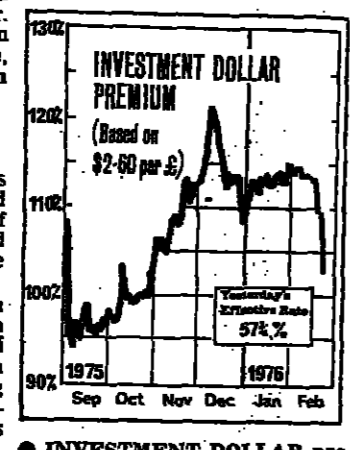
● GOLD was steady at \$121.1.

● WALL STREET slipped 2.52 to 965.38 on a volume of 31.46m. (44.51m) shares.

● NUR LEADERS last night voted against taking any industrial action over their opposition to increased fares and cuts in rail investment. They are to seek a meeting with Mr. Wilson.

● BRENTFORD NYLONS, the privately-owned leading household textiles company, has been put in the hands of a receiver. Back Page; News Analysis, Page 8.

● GAS WHITE-COLLAR workers are threatening to reduce supplies to industrial users unless the British Gas Corporation improves a productivity pay offer. Back Page



## Labour-TUC unity survives 'frank talks' on spending

BY RICHARD EVANS, LOBBY CORRESPONDENT

Trade union leaders yesterday gave Mr. Denis Healey, Chancellor of the Exchequer, a gruelling interrogation over the Government's projected cuts in public spending, but made no move to fracture the unity between Ministers and the TUC on broad economic policy.

Mr. Healey admitted that there had been some "very frank talking" at the TUC-Labour Party Liaison Committee meeting, but Mr. Jack Jones, general secretary of the Transport and General Workers' Union, stressed that the labour movement was still united.

The exchange illustrates the bitterness building up in the party over the cuts.

This could come to a head at a full meeting of the Parliamentary Labour Party attended by Mr. Healey to-morrow and in the Commons debate on the White Paper within the next fortnight.

An increasing number of Left-wingers continue to insist that they cannot support the Government in the lobbies.

But for Ministers the key factor is that TUC leaders, although angry at the prospect of higher food prices, rents and fares, are maintaining their broad support for the Government's incomes policy.

In addition, there were no signs yesterday that any other Left-wing Ministers were about to follow the example of Miss Joan Lester, former Parliamentary Under-Secretary of Education, who has resigned from the Government.

Many of the Ministers thought most likely to resign made it clear that, although they are deeply unhappy about the cuts, and the impact they will have on the Labour Movement, they believe it more sensible to stay in the Government and try to change policies, rather than resign and join their back-bench colleagues.

The Tribune Group met at the Commons to decide how to raise the tempo of its protests against the cuts, but decided to put off the decision until after to-morrow's meeting of the Parliamentary Labour Party. They will meet again on Thursday.

After the Tribune meeting, Mr. Arthur Latham, the chairman, derided the comment made earlier by Mr. Healey about the Left-wing. He claimed that the matter was far too serious to indulge in that kind of exchange.

There was no doubt in the mind of Tribune MPs, he said, that the broad mass of the labour and trade union movement shared the view that endorsement of the White Paper would represent abandonment of both 1974 election manifestos.

Mr. Latham admitted that the Group was in difficulties about how to put its protests into effect.

Continued on Back Page

## Israel seeks peace pacts with Arab neighbours

BY L. DANIEL

THE ISRAELI Cabinet has now resolved to give the initiative in an attempt to break the impasse in negotiations on a way forward in the Middle East.

It has empowered the United States to explore the possibilities of new agreements with each of Israel's Arab neighbours which would provide for a "end to the state of belligerency".

In return, Israel would be willing to make deep withdrawals in Sinai and significant adjustments to the present boundaries on the West Bank of Jordan and the Golan Heights.

By Washington and Jerusalem have reservations about the chances of securing such an agreement with an Arab world which remains profoundly divided over what should be the next move in the search for a settlement in the Middle East. But the Israeli Cabinet has been persuaded by Mr. Yitzhak Rabin, the Prime Minister, after his recent visit to the U.S.

A sign of Israeli and American efforts to study the legal implications of an agreement which ends the state of belligerency between two states—as opposed to a peace treaty. In the first instance, this is likely to be specifically related to Egypt and Israel.

David Bell reports from Washington: During his recent visit to Washington, Mr. Rabin, told the U.S. that Israel would be prepared to withdraw in Sinai to a line between El Arish and Ras Muhammad and to make some concessions along the Golan Heights border with Syria if the Arabs could join in a declaration that the state of war was over.

The U.S. State Department, which is still searching for a way to end the deadlock in the area, did not reject this offer.

But officials think it most unlikely that Egypt and Syria would agree to it unless it is preceded by an Israeli guarantee to withdraw from all territory occupied in the six-day war in 1967.

Israel has in any case made it plain that it is not prepared to make any more concessions than "cosmetic changes" on Golan and the Syrians have made it equally clear that they will have nothing to do with such proposals.

The Israelis are especially keen that King Hussein of Jordan play the "honest broker" between Israel and Syria to see if some compromise might after all be possible.

The king is to visit Washington at the end of this month and no doubt State Department officials will relay this idea to U.S. ambassadors from several Arab countries are being brought back to Washington in advance of the visit for consultation.

Officials believe, however, that in view of the developing rapprochement between Syria and Jordan, King Hussein is unlikely to be willing to play such a role.

They believe that many Arabs see the suggestion that should be an attempt by the Israelis to circumvent the Palestinian issue.

The Israeli still maintain that the Palestinian problem should be settled in a Jordanian context. The State Department has little confidence in this approach, in spite of Israeli statements to the contrary.

The term "end of a state of war or belligerency" is favoured by Israelis because it is more vague than a non-belligerency pact.

Some observers in the U.S. feel that Israel sees its latest initiative as a way of spinning out the negotiations, so that they can continue inconclusively until after the U.S. Presidential election in November.

Then, according to this view, Israel will be prepared to negotiate seriously with whatever U.S. Administration has been elected.

The Israelis deny this. They say that they are as anxious as the U.S. to find some way out of the deadlock.

## Jobless tally to exclude students

BY PHILIP RAWSTORNE

GOVERNMENT moves were announced yesterday to end the distortion of the unemployment figures caused by the growing number of adult students who register during vacations.

Student grants are to be changed to make it unnecessary for most students to register during the short vacations to claim supplementary benefit.

From next month, the number of unemployed students will be published separately from the main unemployment statistics.

Mr. Michael Foot, Employment Secretary, told the Commons yesterday that the fluctuation in the number of students on the register—now affecting the statistics in six months of the year—was creating considerable problems in interpreting the figures.

Unemployment figures to be published to-day are expected to show a fall of more than 100,000 from last month's total, due to students leaving the register at the end of the Christmas vacation, but the underlying trend will remain strongly upward.

In an attempt to keep students off the register, Mr. Fred Mulley, the Education Secretary, yesterday announced that the students' personal maintenance allowance in 1976-77 would be changed to provide, on average, the equivalent of supplementary benefit entitlement during the short vacations.

The present vacation element in a student's grant amounts to about £3.18 a week and by registering as an unemployed most could have a supplementary benefit of £9.70 a week on a single non-householder.

From Christmas this year, the vacation element will be increased and concentrated in the two short vacations at about the £9.70 level.

**Entitled**

No allowance will be paid for the summer vacation. Students unable to find jobs will continue to be entitled to claim supplementary benefit if they do not have enough income to support themselves.

Similarly, students entitled to additional benefits will still be able to claim them.

Mr. Foot told MPs that the number of students registered during the short vacations—now more than 100,000—should be considerably reduced, he added: "It does not mean that all students will be removed from the register in those vacations, but that the numbers registered to provide, on average, reduced."

Mr. Barney Hayhoe, the Tory spokesman, said the Government's moves were further examples of "putting short-term political considerations first."

Mr. Foot replied that it was a commonsense arrangement for dealing with those students not seeking permanent employment.

Joe Rogaly writes: The hardening attitude against social security is a natural result of rising unemployment. Professor David Donnelly, chairman of the Supplementary Benefits Commission, said in a lecture at the University of Edinburgh, last night.

"Losing confidence in economic growth, everyone recognises that social policy has become, at best, a zero-sum game: anything you get I will have to pay for by a drop in my own living standards," said Professor Donnelly.

"Inflation has reduced the tax threshold to a point at which almost everyone in work is paying income tax and is more sharply aware than hitherto that other people's benefits come out of his own earnings."

Society To-day, Page 19

## U.S. code may ban bribes by companies

BY DAVID BELL

WASHINGTON, Feb. 23. THE U.S. is prepared to include rules against bribery in the international code of conduct for multinational companies that it has been trying to draft for the past 18 months, Dr. Henry Kissinger, the Secretary of State, disclosed in Columbia today.

In Washington, State Department officials confirmed that work has been going on for some time on a possible draft agreement that would cover every facet of the behaviour of multinational corporations overseas, but said no precise details had yet been worked out.

Senator Frank Church, chairman of the Senate subcommittee on multinationals, and several other Congressmen are also working on new legislation on the same subject.

## Unfair

At an impromptu Press conference in Bogota, where there have been allegations of illegal payments by the Lockheed Aircraft Corporation, senior U.S. officials are reported to have said that disclosures of bribery by U.S. companies in recent weeks have been a "massive embarrassment and a massive disaster." They pointed out, though, that any international code to regulate bribery by companies would be exceedingly difficult to operate.

Dr. Kissinger's desire to secure some kind of international agreement springs partly from his feeling that U.S. companies have been singled out unfairly for criticism and partly from his fears that U.S. foreign policy interests are being harmed by the stream of revelations.

Officials say agreement has been held up by the unwillingness of some countries to accept that they should be bound by any code just as lightly as multinational companies operating within their borders.

## Falsifying

Under existing American law, U.S. companies accused of bribery overseas cannot be prosecuted unless it can be proved that they have hidden their activities by falsifying their accounts or otherwise breaking corporate reporting laws.

Dr. Kissinger said that a big advantage of the new code would be that it would have the force of American law and the activities of U.S. companies overseas could thus, for the first time, be tried in U.S. courts.

## U.K. envoy likely for Rhodesia

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

THE GOVERNMENT is expected to announce this afternoon that it has decided to send a special envoy to Rhodesia. The decision, which could involve the envoy in visits to other key African countries, is seen as a follow-up to last week-end's exchange of letters between Mr. Ian Smith, the Rhodesian Prime Minister, and Mr. James Callaghan, the Foreign Secretary.

Mr. Callaghan, who until yesterday had not made the announcement himself. If not, it is likely to be made by Mr. David Ennals, the Foreign Office Minister with responsibility for Africa. In today's Foreign Affairs debate in the Commons, although the Foreign Office would not confirm last night that the decision had already been taken, it is understood that the Foreign Secretary feels the need for an immediate on-the-spot appraisal of the Rhodesian situation, particularly in the light of Mr. Smith's remarks last Friday that he was open to the possibility of bringing Britain into Rhodesian settlement talks.

It is not clear whether Mr. Callaghan has decided to send a Minister, in which case Mr. Ennals, who last visited Rhodesia eight months ago, is the most likely candidate, or whether he feels that a senior Foreign Office official would be more appropriate at this stage.

Mr. Ennals, who has responsibility for Africa, went earlier this month to South Africa and in Washington, principally for discussions on Southern Africa, including Rhodesia.

The Government's reaction to Mr. Smith's stated change of tactics has been cautious. It could be argued that by sending a

Minister the Government would give the impression that it was ready to take part in negotiations. Whitehall officials insist that Mr. Callaghan is far from agreeing that Britain can play a role in negotiations between Black and White in Rhodesia at this stage. He is, however, concerned to explore whether Mr. Smith really has had a change of heart, particularly on the issue of a rapid transfer to majority rule.

Only if he has, it is suggested, would Mr. Callaghan be prepared to call or to chair a full-scale conference.

So far, although talks between Mr. Smith and Mr. Joshua Nkomo, leader of the Rhodesian-based wing of the African National Council, are due to resume on Thursday, there is little sign that the large gap between the two sides can be bridged. Mr. Nkomo has produced proposals which would bring in a Government of Africans, in about two years, while Mr. Smith's counter-proposals envisage 20 years at least.

There is apparently little optimism in Whitehall that a settlement is likely even though it is admitted that, with the advent of nationalist Governments in Mozambique and Angola and an apparent increase in guerrilla activity against Rhodesia the threat of continu-

Continued on Back Page

£ in New York

	Feb. 23	Previous
12-month	82.550/255	82.650/250
6-month	82.400/245	82.450/240
3-month	82.250/235	82.300/230
12-month	1.17.400/405	1.17.350/400

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Editorial	2	New-curve News	67	Cable Trust	21
Executive's World	17	Parliament	11	Deutsche Bank	20
Foreign	31	Racing	2	Temple Bar	20
Foreign Exchanges	31	Share Information	34-35	INTERIM STATEMENTS	
FT Actuarial Indicator	12	Stock Exchange Report	12	Electronics	10
Home News	2-23	The Technical Page	12	Stocks (Hides)	10
Int. Company News	23	Today's Events	10	Band World Hides	10
Labour News	10	TV and Radio	2	Base Lending Rates	12
Leading Articles	18	Unit Trusts	35		

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# Tax, freedom and all that

BY C. GORDON TETHER

ONE OF the devices that Mrs. Thatcher, the Conservative Leader, is employing in the all-out drive to furnish her party with a new philosophy and a new image consists in trotting out clichés and then proceeding to hammer them home as though they were truths that could be universally accepted in their entirety without question.

The latest addition to this part of her armory is the proposition that taxation is freedom—meaning, as she explained in a speech over the weekend, that every time the Government takes a bigger slice of the pay packet, it is taking a bigger slice of freedom and thereby striking at the roots of a free society. And, like so many of the earlier ones, it will not stand up to the light test nearly as easily as she appears to assume it will.

It is, of course, undeniable that the greater the extent to which the State absorbs the financial resources accruing to the citizen through income-tax or other imposts, the less freedom that citizen has to spend his money as he pleases. But the argument over the connection between taxation and freedom does not begin and end there.

## Incompatible

In our complex society of today, it is broadly true to say that one man's desire for freedom can only be achieved at the expense of the freedom of others. To take a simple example, freedom to deposit one's litter all over the grass wherever one happens to be having a picnic automatically entails denying others their freedom to enjoy an unspoiled countryside.

The role of the State is to get as near as is reasonably possible to striking the right balance between demands for freedom that are essentially incompatible with one another. And this is clearly no less true where taxation is concerned than it is elsewhere.

It has long been recognised that the economic mode of life we have evolved over the centuries gives undue freedom to some members of the community to exploit the efforts of the rest—more particularly by allowing them to acquire a disproportionate share of the ownership of productive resources created by the efforts of all. The main purpose of income tax—and most other taxation for that matter—has always been to remedy this injustice by redistributing, in one form or another, the available spending power.

In other words, it is more

## Road casualties

Needless to say, the more sophisticated our mode of life becomes, the greater the difficulty the State is apt to experience in determining the most satisfactory order of priorities for conflicting freedoms. Mr. Trudeau, the Canadian Prime Minister, illustrated this point in a recent call for a top-to-bottom re-examination of our values, he drew attention to the strength of the case—on economic as well as compassionate grounds—for imposing more severe limits on the freedom of those who drive and drink.

After setting out the cost to the community of the rising toll of road casualties in terms of its implications for productive activity, the cost of repairing the material damage and treating that to life and limb, he pointed out that there were good reasons for thinking that the bill could be cut by half. How? Through the introduction of more rigorous controls over road behaviour and the drinking activity that nowadays plays such a large part in producing accidents—in the U.S. almost a half of road deaths are "drink related."

It follows from this that, quite apart from the suffering that drivers and drinkers cause, and the erosion of the freedom their victims suffer on this account, their activities hit at the freedom of others in an economic sense. For they have the effect of materially reducing the spending power at the disposal of the rest of the community. As Mr. Trudeau asked, would it be striking a blow for freedom in the best sense to leave them with less?

## RACING

# Nigel Tinkler can win two

COLIN TINKLER'S highly accomplished younger brother, Nigel, still only 21, could be the jockey to follow today at Sedgemoor, where he rides *Perfect Match* and *Some Hazard*.

Nevertheless, he is a tough deal under pressure and I do not intend to oppose him. A second possible winner for *Perfect Match*'s trainer, Jack

At today's second meeting, Newton Abbot—where there is a Racegoers' Club concession day programme—Tinkler *Boy* and *Tudor Slipper* appear as safe propositions.

Tinkler *Boy* recently found little difficulty in accounting for Sea Count in a similar event at Leicester.

The Ryan Price trained *Tudor Slipper* was equally impressive when putting five lengths between himself and *Virginia Drive* in a division of *Tanquer's* fresh start novices' hurdle on January 23.

Two leading Cheltenham Gold Cup prospects are due to reappear later this week.

Anne, Duchess of Westminister's 1975 hero, Ten-Up, is expected to make his first appearance since mid-December in the *Newlands Chase* at Naas on Saturday.

Soothsayer, the runner-up in last year's Gold Cup, is due to go to post for *Wincanton's* *Jim Ford Challenge Cup* on Thursday.

Soothsayer, formerly with Fred Winter but now trained by Toby Balding at Weyhill, has been out since taking third place in the United States Colonial Cup more than three months ago.

- SEDGEMOOR**
- 1.45—*Ridgeway*
  - 2.15—*Perfect Match*
  - 2.45—*Some Hazard*
  - 3.15—*Old Stephen*
  - 3.45—*Set Point*
  - 4.15—*Broomstone*
- NEWTON ABBOT**
- 2.00—*Tinkler Boy*
  - 3.30—*Kara Pops*
  - 4.00—*Tudor Slipper*
  - 4.30—*Scarlet Leader*

Calvert is Half Hooked, who bids for his first success on this track in the afternoon's most valuable event, the *Bransford Chase*. Although the 10-year-old Half Hooked will not be disgraced, I doubt that he will deal with either the top weight, *Drumhead*, or the 11-year-old, a recent half-length winner from Hugo Duncan, from whom he was receiving only 10 lb at the Ayr. Old Stephen is the selection.

## BY ANTHONY THORNCROFT

# Old Masters make £200,000

ATTENTION YESTERDAY was focused on Phillips' picture sale, but the glass auctioneer also brought in a total of £33,382.

There was a particularly high price of £4,800 from the German dealer Zietz for a Venetian enamelled armchair, of 1813-24, starting the arms of the Medici Pope. It had been estimated to fetch £2,000-£3,000.

Zietz also paid £2,200 for a Venetian *Allegre* of 1830. The books sale totalled £43,881, with a top price of £3,500 for a first edition of *Chapman's* *Archæologia* in Stockholm in 1763.

Hammond paid £2,200 for two volumes by Rosini containing many plates of Rome of 1823 and 1828, and there was a bid of £1,700 for Jenkins' *Napoli* *Achievements* of Great Britain of 1823. Only two small lots were bought in.

In the auction of antiquities, which totalled £56,855, Eade paid £1,200 for a South Italian Greek pottery vase, amphora of the 4th century B.C.—it had been estimated to fetch only £200-£300.

A French dealer gave £850 for a Roman Derby service decorated in the oriental style went to J. Sewell for £1,000.

of about 600 B.C. went for £830. Christie's English porcelain sale yesterday totalled £36,975, the highlight being the £3,000 paid by a private collector for a Derby yellow ground coffee

and saucer made between 1780 and 1800. This was a top price for a Derby cup and saucer, beating the previous 1969 auction record of £1,522.50.

The item came from a distinguished private collection of cups and saucers. Christie's sold a continental section for £400 earlier this month and the English items added another £22,931, with yet more cups and saucers to come.

Other good prices included the £1,600 paid by a London dealer, for a rare Chinese octagonal tea bowl and saucer, painted on camellia rose, with Turkish figures in a cavalry skirmish (estimate £700-£900).

Welby paid £1,100 for a Chelsea octagonal fabrik beaker and saucer, painted with the figure of a woman, and the hen, and Schwarzenbach £1,000 for a similar piece showing the lion and the frog, painted by Jefferies Hammett O'Neale.

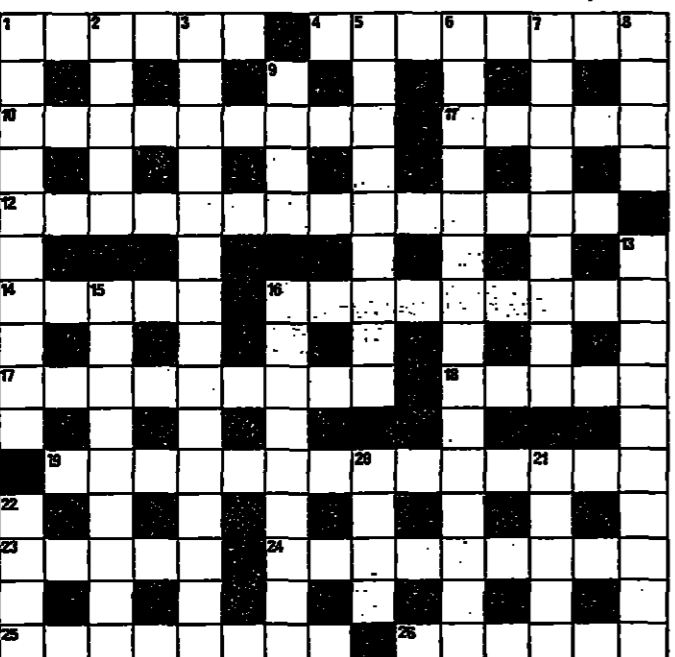
## TV/Radio

† Indicates programme in black and white.

**BBC 1**

- 7.05 a.m. Open University. 9.35 For Schools. Colleges. 12.45 p.m. News. 1.00 *Robbie Mill*. 1.45 *Bob 200*. You and Me. 12.15 For Schools. Colleges. 3.30 *Ben El Hun*. 3.58 Regional News (except London). 4.00 *Play School*. 4.25 *Crystal Tips* and *Alphabet*. 4.50 *Jackanory*. 4.55 *Gobber* and the Ghost Chasers. 5.05 *John Craven's Newsworld*. 5.15 *Vision*.

## F.T. CROSSWORD PUZZLE No. 3,013



- ACROSS**
- 1 Pump gas for a source of heat (8)
  - 4 Renovated or rested outside (8)
  - 10 Manipulate, or get mice using simple devices (9)
  - 11 Joint left is halfway down (5)
  - 12 Urging successfully—it's customary on top (10, 4)
  - 14 Incorporated as Indians (5)
  - 16 Troublemaker takes bet about doctor in navy (8)
  - 17 Artificially-made tin synthet (8)
  - 18 Cornish birds at heart (5)
  - 19 Leading one's opportunity—to get ahead? (7, 3, 4)
  - 23 There's nothing in the trick to disturb (5)
  - 24 Furious and beyond hope—it's extremely bad (9)
  - 25 A sweet target (5, 3)
  - 26 Expresses willingness in essays (8)
- DOWN**
- 1 Chief minister is drunk going to club (4, 6)
  - 2 One left one on his own (5)
  - 3 Old rectifier—the very thing that's wanted (3, 4, 8)
  - 5 An odd fellow—a mechanical type (9)
  - 6 Volunter to accept responsibility (4, 4, 7)

**LONDON**

- 9.30 a.m. Schools Programmes. 10.00 *News*. 10.10 *News*. 10.20 *News*. 10.30 *News*. 10.40 *News*. 10.50 *News*. 11.00 *News*. 11.10 *News*. 11.20 *News*. 11.30 *News*. 11.40 *News*. 11.50 *News*. 12.00 *News*. 12.10 *News*. 12.20 *News*. 12.30 *News*. 12.40 *News*. 12.50 *News*. 1.00 *News*. 1.10 *News*. 1.20 *News*. 1.30 *News*. 1.40 *News*. 1.50 *News*. 2.00 *News*. 2.10 *News*. 2.20 *News*. 2.30 *News*. 2.40 *News*. 2.50 *News*. 3.00 *News*. 3.10 *News*. 3.20 *News*. 3.30 *News*. 3.40 *News*. 3.50 *News*. 4.00 *News*. 4.10 *News*. 4.20 *News*. 4.30 *News*. 4.40 *News*. 4.50 *News*. 5.00 *News*. 5.10 *News*. 5.20 *News*. 5.30 *News*. 5.40 *News*. 5.50 *News*. 6.00 *News*. 6.10 *News*. 6.20 *News*. 6.30 *News*. 6.40 *News*. 6.50 *News*. 7.00 *News*. 7.10 *News*. 7.20 *News*. 7.30 *News*. 7.40 *News*. 7.50 *News*. 8.00 *News*. 8.10 *News*. 8.20 *News*. 8.30 *News*. 8.40 *News*. 8.50 *News*. 9.00 *News*. 9.10 *News*. 9.20 *News*. 9.30 *News*. 9.40 *News*. 9.50 *News*. 10.00 *News*. 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The Financial Times Tuesday February 24 1976

Festival Hall

## German Requiem

by RONALD CRICHTON

Loris Maazel being ill, his place at the head of the New Philharmonic Chorus and Orchestra is being temporarily taken by Fritz Rieger, the Bohemian-born conductor from Munich. He will accompany choir and orchestra on the forthcoming visit to Barcelona to perform the German Requiem of Brahms (given on Sunday in the Festival Hall) and the Mass of Beethoven.

On occasional appearances in London, Mr. Rieger has given the impression of a capable, serious German conductor more concerned with the music than with cutting a dash on the podium. Perhaps he has not had long enough to establish full rapport with the New Philharmonic Chorus, which sang last night with the full-hearted commitment one expects but something less than the customary all-through brilliance of tone, and much less than the normal capacity for dynamic shading—almost invariably their fortes went straight to fortissimo and stayed there.

The best movements were the fifth, where the soprano soloist, Ileana Cortubas, lent some of her radiance to the rest, and the sixth, where the march rhythm at the opening was free of the stiffness and over-emphasis that dogged the other, triple-time march in "Denn alles Fleisch ist wie Gras" earlier on. There was vigour as well as loudness in Brahms's vision of what the Germans call the Last Trombone. In the sixth movement, also, the baritone Bernd Weikl sounded happier than in his first solo. The orchestra had some fine moments, including the high, soft wind chords that so often cause

But the whole performance needs polish before it is offered abroad.

In the Elizabeth Hall on Saturday evening the London Bach Society under Paul Steinitz performed two of the cantatas in early Mozart Mass, and Stanley Glasser's choral entertainment *The Chameleon and the Lizard*. This work (first performed 1971) is welcome and indeed admirable as a collaboration between a white South African musician and a Zulu writer, Lewis Mkhosi. It was fun to hear Bach singers clapping out Zulu rhythms and getting their tongues round Zulu words but the musical results were mildly disappointing—the materials were there but nothing much happened. It may be unfashionable to say so, but Orffian primitivism is harder than it looks.

The Cantatas were No. 126 ("Erhalt' uns, Herr, bei deinem Wort") and No. 181 ("Leichtes Mädchen"). Both show Bach in unusual mood, the first vengeful, the second scathing. Full of interest in 126, a duet for alto and tenor which is half choral, half recitative, and a bass aria with extraordinary rumbling accompaniment for the continuo; in 181, a splendid final chorus done with such lightness and rightness that one could forget tone of less than crystal clarity. The C minor Mass of Mozart (not the famous one, but K.138, written when he was "about 13") is a precious curiosity, not much heard, and the soloists in Bach and Mozart were Wendy Easthorpe, Paul Eswood, Ian Partridge, Ian Caddy.

Traverse Theatre, Edinburgh

## The Gay Gorbals

by MICHAEL COVENEY

Good gracious, Hector MacMillan's new play is about an attempt to take over a church hall for the social convenience of homosexuals. There, in the bald idea, ends not only similarity to Joe Orton but everything else as well. How new the play may or may not be, I've no idea, but it seems stale beyond belief to give stage time to hopelessly unfunny caricatures of puffy Jesus freaks, policemen diving to "Jail House Rock," and a slimy bureaucrat pontificating on the quality of life.

The church hall is also invaded by an aggressive pop group, whose leader demands salvation. For life is hard and unpleasant in the Gorbals and the people there are straining to be free. Crickey! The prospective club owner wants to create an alternative Gorbals image to all that nasty Marxism. But he tells us, blackmail is the main drawback to being a homosexual. Just image being poor, play deserves.



Robin Bailey and Sheila Steafel in 'You'll never be Michelangelo', the new comedy by Roger Miller that opened at the Hampstead Theatre last night

Libert Hall

## ECO marathon

by MAX LOPPERT

The English Chamber Orchestra were coming true and poised, a Sunday evening concert projected with all the ease of old. From then on Mr. Stern was ed, with an interval, some of the best form throughout the evening, robust in the Bach E major, even more winning in the second Mozart, K218, and refreshingly eloquent in the two neglected miniatures at the very end, the Adagio K261 and the Rondo K373.

By this time, concentration had flagged (not, let it be said, the performers). Earlier, there had been the German dances of both Mozart and Schubert, delicious morsels taken singly, slightly heavy in bulk. Mr. Schneider had clearly not been given the chance of rehearsing them to high polish, and his stick technique was not always subtle. But his relaxed, mellow style, spreading a warmth of tone over the ECO strings, was every bit as admirable, and in Schubert's Fifth Symphony, it drew out the enchanted lyricism of the music with a tenderness lost in such familiar high-voltage readings as, say, Colin Davis's. Fine performances all; their sum brought surfeit.

Tate Gallery

## Constable—European master

by DENYS SUTTON, Editor of Apollo



Constable: The Haywain

John Constable is a painter whose works are so familiar and seem so easy to appreciate that it is hard to think that he was an artist without problems. Surely, in fact, he was a natural painter? Yet one of the merits of the distinguished bicentenary exhibition at the Tate Gallery is to make us realise that Constable underwent a difficult apprenticeship, that he was a complex artist and that his vision was only achieved after trial and error.

The exhibition itself is a most important affair, and it is no fault of the organisers that the works are seen in artificial rather than in natural light and that certain subtleties of colour are thus lost or minimised. With one or two unavoidable exceptions, all the master's main works are on view, as well as many studies, sketches and drawings. The chronological arrangement of the show makes it possible to trace the in-abouts of Constable's development. It also brings out that Constable, who was born in 1776, did not paint with fluency from an early age. He did not possess, for instance, the immediate lyricism of the short-lived Bonington. He was well into his twenties before his painting began to betray a truly individual touch.

The reason for the gradual character of his evolution lay in his ambition to find a method of painting that would allow him to discover the equivalent in paint of the colour he saw in nature. He realised, obviously, that to do this he could not rely on worn-out formulae and as at the start he was not a man of much self-confidence, some courage was needed before he could make a breakthrough.

The early Constable, too, must be placed against the historical background, for he grew up at a time when the dominant style was that of Neoclassicism, when emphasis was placed on articulated line rather than on colour; to go in for colour in the way he wished to do was to run counter to the main current. Constable never left England. Yet this exhibition substantiates that he was essentially a European artist. His themes may have been derived from his native Suffolk, but there was nothing insular in his approach. His painting is that of a man who knew Claude and the Dutch—Ruisdael and Knaipels (whose influence on him is never sufficiently emphasised)—and above all, Rubens. The English love of Rubens was a long-standing one, so that it comes as a surprise to find tribute being paid to him by Constable, both were masters who had the ability to summarise an impression of nature in rapidly executed oil sketches which catch a mood.

It was Constable's incisive reaction to nature shown in his larger no less than his smaller paintings, that made him such a leader of European painting. The *Haywain* caused a sensation when shown in the Paris Salon of 1824. He appealed to Delacroix and Gericault, and later to Theodore Rousseau and Reg. Gagnay (Thames and Hudson, £5.50), both of which place him against his family background and supply details of his long courtship with the charming Maria Bicknell, his friendship with the Fishers and the sorrow that overcame him after the death of his wife. Both authors make excellent use of the artist's correspondence which was assembled by the late R. B. Beckett, who did so much to further Constable studies.

An original contribution to knowledge about Constable is provided by *Constable and his country* by Alister Smart and Attfield Brooks (Paul Elek, £5.50). The second of the authors provides an intriguing account of the topography of Constable's country and the photographs of some of the places painted by the master may well inspire the reader with the wish to set off for a tramp and see them for himself. Mr. Brooks made the valuable point that while in his paintings Constable always had an actual scene in mind, "topographical accuracy was not necessarily such an important matter to him as it is the spirit of the nation's position."

as a man can turn to two recent books, one by John Lloyd Fraser (Hutchinson, £6.95), the other by Reg. Gagnay (Thames and Hudson, £5.50), both of which place him against his family background and supply details of his long courtship with the charming Maria Bicknell, his friendship with the Fishers and the sorrow that overcame him after the death of his wife. Both authors make excellent use of the artist's correspondence which was assembled by the late R. B. Beckett, who did so much to further Constable studies.

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The exhibition, for instance, includes the two pencil drawings, the full-size oil sketch and the finished composition of *The Leaping Horse*. The changes and complications that accompanied the progress of this majestic picture can be followed from the very full catalogue note as well as from the works themselves; the result underlines the depth of Constable's mind. How fascinating to watch a great artist at work in this way!

Constable's adherence to the European tradition may be seen in the essentially ideal nature of his painting: he observed reality and then translated his comments into works of art that synthesise his sentiments about nature. The results are idyllic masterpieces that rest for their appeal on melodious colour, striking passages of light, rich and dramatic impasto and elegantly contrived composition.

Some critics have taken Constable to task for his not painting the revolution that was taking place in the English countryside but this is absurd. For the Suffolk scene that provided his themes was not affected in this way. Constable in his large-scale painting was emulating the practice of the history-painter, though, instead of taking a theme from ancient or modern history, he presented a view of his native land at a historical phase. His paintings, in fact, do provide a record of a unique period in English life, and it is some thought of this that may have crossed the artist's mind.

Constable's character had a severe and sarcastic strain. Visitors to the exhibition who wish to learn more about him

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Elizabeth Hall

## Perlman

by PAUL GRIFFITHS

Perhaps nothing more than the works for solo strings brings one nearer to Bach in the whole: the master pattern-maker and the genius of the intensely expressive harmonic twist, the comprehensive knowledge of instruments and the brilliant exponent. Each of Bach's faculties seems to exist with an extra presence when his music is heard from the hands of a single player, without mechanical aid. It may be no more than that: a question of human contact.

This quality was, sad to report, straitened and limited in Elizabeth Perlman's solo violin recital on Sunday, when he played the first and third of the sonatas and the first partita (the remaining three works form his programme for next Sunday). The grand displays of structural delight and ingenuity—above all, No. 3 were made into something the fugues from the two sonatas were played too much with an eye to their stature as monumental works of artifice. A splendid purity was the result of this approach, but also a chilly distance. Even when Perlman was unravelling the knotiest counterpoint, making the awkward chords gracious and, notably in a sonorous and lordly account of the Sarabande. But on the whole this was an evening of superb violin playing, effacing the frowns and to be heard as such for their concomitant expressive qualities have done with being less happy.

Elizabeth Hall

## Thomas McIntosh

by DAVID MURRAY

The darkling prologue to Beethoven's Sonata op. 111 contains some awkward leaps, and a prudent pianist may redistribute the notes a little between the hands. On Sunday afternoon Thomas McIntosh did that, and scored a record number of finger-slips on the first page alone. Nerves, no doubt; but later, in the 12 Transcendental Etudes of Liszt, the pianist's good intentions were compromised by Stephen Dodgson's new piano. It is in two epideic, clean-lined movements, the octave dashes, in the bursts of triumphant chords. There were plenty of good things to be noticed: fine rhetorical flair in the "Eroica" study, rich, controlled sonorities in "Harmonies du soir", resilience and energy in "Wilde Jagd". But there is no getting round the fact that what must justify playing and teaching is a more forthright attack at the start of the *Spiritus* movement, music cannot afford to be mossy with unwanted graces.

As for the Beethoven, proof days without unlucky McIntosh's reading was thought-nerves.

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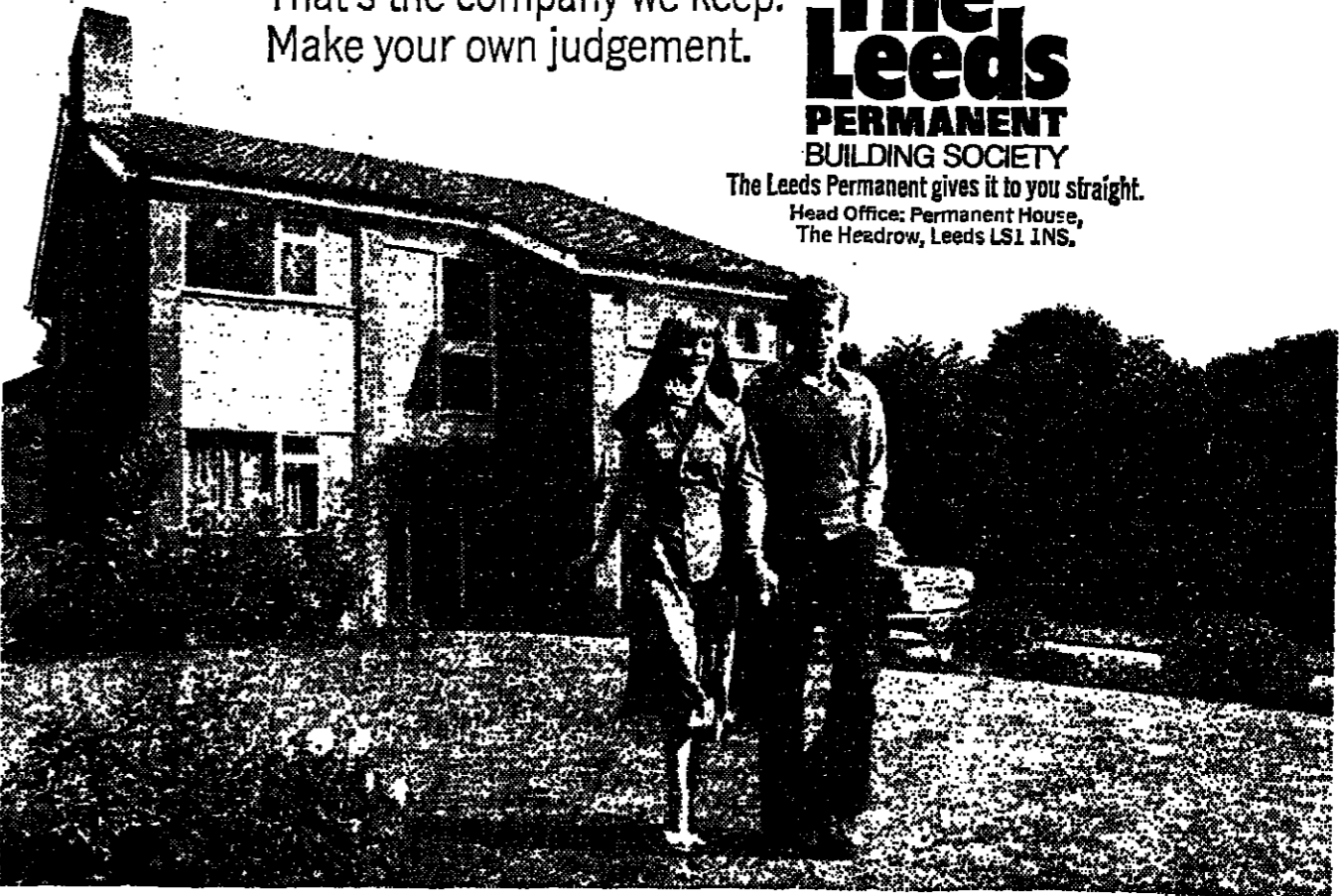
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## L. S. Lowry

L. S. Lowry died yesterday in hospital after a long illness at his home in Manchester. He collapsed last week with a stroke. He was 88. William Packer writes:

L. S. Lowry was a better painter than many would allow, but difficult to classify. Every age throws up sports like him, and whether their qualities are recognised or ignored hangs on chance. Lowry's misfortune was to be treated first as a joke, and then feted and patronised as much for the accidents of his biography as for his work. The Tate's major retrospective exhibition ten years ago, however, and several other shows since, have helped to put the record straight at last.

Lowry received an orthodox art school training, but the crucial developments came later: the discovery of a genuine source of inspiration, and the evolution of a technique that allowed him to treat it appropriately. He adopted a direct and simple handling of paint, and deliberately crude, even grotesque imagery. And this sophisticated move, from academic orthodoxy into an highly idiosyncratic form of expressionism, was achieved by 1920. Though it belied his provincial isolation, it secured him the label of Primitive, which clouded the issue for so long.

His finest works, the archetypal industrial landscapes and street scenes he painted before the last War, possess a sombre intensity and a control that put them with the best English painting of their time.

## Angela Baddeley

Miss Angela Baddeley, the actress died on Sunday at the age of 71. Angela Baddeley's first appearance was at the Old Vic in 1913, when she was 11. Her serious work began five years later, under Nigel Playfair's management at Hammer Smith. By the time she was a well established actress, and she took over from Hermione Gingold, and the cook in *Upstairs, Downstairs* on television.

## WORLD TRADE NEWS

## Kuwait plans £160m. tanker fleet

By John Wyles,

Shipping Correspondent

KUWAIT National Petroleum Company (KNPC) is to add to the proliferation of Arab shipping fleets by buying up to eight products carriers in the next 12 months to transport output from its Shuaiba refinery.

This will be KNPC's first venture into ship ownership and its fleet development is being masterminded by Mr. Robert Greig, a senior manager with Cunard until last September.

Details of the shipping project were revealed to the Financial Times in Kuwait last week by the company's deputy managing director Mr. Khalil Ahmed Al-Khalaf. Subject to the findings of a feasibility study now near completion, Mr. Al-Khalaf said that KNPC's overall aim was to carry around 60 per cent of its refinery output in its own vessels.

At the moment KNPC has 18 ships on charter ranging in capacity from 20,000 deadweight tons to 85,000 dwt. These serve markets East of Suez, in Japan, Europe and the U.S.

It is not yet clear how many of the eight products carriers KNPC is set to buy this year will be built around the second hand market and how many will be new buildings. Around £180m. has been set aside.

The potential size of KNPC's fleet of products tankers could be increased if the Kuwait Government decides to develop a 20-year-old refinery at Mina Al-Ahmed. A 40 per cent BP-Gulf holding in this refinery was acquired by the Kuwaitis last November.

In agreeing in principle to a KNPC products carrier fleet, the Kuwait Government may be disappointing some Pan-Arabists. The Arab Maritime Petroleum Transport Company, which since Gulf states including Kuwait, intends to operate products carriers and it is unlikely to be able now to base any development plans on transporting output from Kuwaiti refineries.

## Iraq puts tight curbs on agents

By Margaret Hughes

THE Government of Iraq has introduced new legislation controlling agents or intermediaries used to conduct contracts with Iraqi Government departments and public sector establishments. The punishments for contravention are severe.

In future anyone wishing to carry out business in Iraq as an agent or intermediary will have to register with the Directorate General of Registration and Control of Companies. Government Ministers may also forbid any commercial transaction with any party, through intermediaries or agents.

Companies found contravening the new regulations by using an unregistered agent will be placed on a "black list" and Government departments and the public sector will be forbidden to deal with them.

Agent or intermediaries contravening the regulations face jail sentences for "a specified period or for life." Where the agent is a legal entity of a tender, he is dissolved and its assets liquidated. They may also be fined not less than Iraqi Dinars 10,000.

Officials in public service who "knowingly" act as agents or influence the placing of contracts or the choice of a tender for a fee or any other material benefit, face still harsher punishment — death or life imprisonment.

The Iraqi Government is understood to have introduced the new legislation in an attempt to provide a guarantee against corruption. With the widening of commercial trading relations which has taken place under the current Five Year Plan, there has obviously been a corresponding increase in the number of agents and intermediaries. This inevitably increases the opportunity for bribes and other illegal practices which the present government is anxious not to be associated with. The punishments are thought to be justified on the grounds that they need to be severe if corruption (which will be the increase) is to be prevented.

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## ITC urges higher tariffs on U.S. shoe imports

BY GUY DE JONQUIERES

NEW YORK, Feb. 23.

THE U.S. International Trade Commission has found that imports of non-rubber footwear have been causing injury to the American shoe industry and have recommended to President Ford that higher tariffs be imposed.

The Commission's finding of injury was unanimous and was made in response to a petition filed last August by the American Footwear Industries Association, a manufacturers' trade group, and the two main shoe-workers' unions.

The Commission rejected an industry demand for import quotas on shoes. Instead, its members recommended several alternative measures, the most severe of which would place tariffs of up to 35 per cent on

shoe imports, with a 3 per cent reduction in each of the following five years.

Another proposal was for a tariff of 40 per cent on all shoe imports exceeding the 1974 level, while a third recommendation called for the granting of adjustment assistance to the industry and its workers.

President Ford has 60 days in which to choose whether to accept, reject or modify the Commission's recommendations. If he rejects them, Congress can override his decision by a majority vote in each House within 90 days.

The Commission's recommendation has been strongly attacked by the Volume Footwear Retailers of America, a

retail trade group. It said that import restrictions would be "ridiculous" at a time when the U.S. footwear industry is striving to catch up with a major backlog of orders.

According to the trade commission, imports of shoes more than doubled between 1970, when they amounted to \$560m., or 30 per cent of total U.S. sales by volume, and 1975, when they were worth about \$1,080m., or 40 per cent of unit sales.

In 1974, the last year for which complete figures are available, the biggest exporter to the U.S. was Italy, with exports worth \$324m. Next came Spain with exports worth \$193m., Taiwan (\$129m.), Brazil (\$88m.) and France (\$83m.). Exports from Britain totalled only \$6m.

## World Car Markets

## Japanese producers want easier testing for importers

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Feb. 23.

THE JAPAN Automobile Manufacturers' Association (JAMA) has asked the Transport Ministry to be more lenient in the testing of foreign cars for conformity to the newly introduced emission control regulations, in order to head off possible retaliation against Japanese cars in other countries.

JAMA said this afternoon that it appealed to MITI was not a "formal" one but officials of the Ministry confirmed that it was being studied. JAMA apparently would like the Government to simplify inspection procedures for foreign cars so that more cars can pass the test by the end of next month when the new regulations come into force for imported models.

It would also like the Ministry to be less exacting in its demands for certification of the date of manufacture of foreign cars. This is important because the Government is expected to allow cars not conforming to the emission controls to enter Japan after April last provided it can be convinced that the manufacturing process was complete before the March 31 deadline.

The question of how to furnish proof of this has been causing headaches for some European car manufacturers.

Figures currently available suggest that about 40 models of imported cars have so far passed the new emission control tests, while 60 more are still trying to get through. A further 50 models among the total of 150 or so expected to be submitted to the test by the end of next month is felt they have no chance of passing it and the manufacturers concerned have decided that the necessary modifications would be too expensive.

The main cause of the continuing models not competing for the approval under the emission controls.

Companies found contravening the new regulations by using an unregistered agent will be placed on a "black list" and Government departments and the public sector will be forbidden to deal with them.

Agent or intermediaries contravening the regulations face jail sentences for "a specified period or for life." Where the agent is a legal entity of a tender, he is dissolved and its assets liquidated. They may also be fined not less than Iraqi Dinars 10,000.

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## Coups moves hit Nigerian trade

BY JAMES BUXTON

THE CONTINUED closure of Nigerian airports and frontiers, 11 days after the abortive coup attempt on February 13, is causing serious disruption to commerce with Nigeria. Yesterday, the Nigerian High Commission in London said that it was hoped to open the airports and borders within the next few days, but no date was given.

The main cause of the continued closure, so many days after the situation following the coup calmed down, is thought to be the continued search for Colonel E. S. Dimka, the coup leader. There have been fears that he would try to leave the country.

The closure of the airports has caused a pile-up of mail for

will make the Dubai Drydock among the largest and most modern ship repair complexes in the world.

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The complex comprises three drydocks for the repair of

Agreement for a \$71m. increase in the total value of the Dubai Drydock contract, in which Costain and Taylor Woodrow are involved in a joint venture, was signed in Dubai on Saturday, Costain said yesterday.

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## AMERICAN NEWS

## Confident Carter admits only one rival

By Jurek Martin, U.S. Editor

MANCHESTER, N.H., Feb. 23.

JIMMY CARTER admits, if pushed very hard, that the only Democrat who could conceivably stand between him and the Presidential nomination is Congressman Morris Udall of Arizona.

This opinion, divulged quietly over dinner last night, is significant not because it reflects the strength of the Udall challenge, but because it is indicative of the remarkable confidence that Mr. Carter, the former Governor of Georgia, has about his own chances.

He seems quite convinced that nobody can expect to become the nominee without going the full primary route, and therefore rules out Senator Hubert Humphrey and anybody else waiting in the wings; he believes George Wallace to be unelectable; he appears to have no regard for Senator Ted Kennedy; and he feels that his right flank is not vulnerable and surveying the left, he lights on Mr. Udall largely because he detects certain similarities of outlook and appeal.

Although, like everybody else, he flatly refuses to predict an outcome in to-morrow's primary election here, he does not dissent from the emerging consensus view that he and Mr. Udall seem to be slightly ahead of the Governor. Carter acknowledges that the Udall organisation in New Hampshire is effective, but he believes that Mr. Udall must formally renounce any intention he has of running for the Senate from Arizona this year, and concentrate on improving his nationwide organisation before he can pretend to catch up.

## Remarkable

At this early stage of the political process, all candidates are allowed to be unimpeachably confident. But even by the standards of Carter's belief in himself seems remarkable.

His public performances are now practised and almost perfect; they mix up homespun corn, almost evangelical professions of faith in America's greatness and occasional sharp-tongued all-out attacks on the establishment.

But there is no doubt that Mr. Carter is a political professional, much as he likes to portray himself as a peasant farmer from Georgia. His knowledge of the political processes are considerable. He, along with Governor Reagan and most of the other Presidential aspirants, discerns discontent in the country with the Government in Washington, and is rapidly harnessing away at his proposals for bureaucratic reform.

He is vulnerable on some issues, but in New Hampshire he has been completely free of attack from any of his four Democratic opponents. None of them has been able to match his messages of critical articles in the Press accusing Mr. Carter of claiming to have done one thing whereas he did another.

This same decorum, however, will almost certainly not be present next week in Massachusetts, where both Governor Wallace and Senator Jackson from the Right are in the fray, and where the emotional issue of busing to achieve racial integration will be paramount.

## URUGUAY

THE SLOGAN of the civilian-military Government in Uruguay is Security for Development, and progress is being made. The Tupamaros, once widely considered to have been the most sophisticated urban guerrillas in the world, have been totally inactive for two years. Nearly 2,000 of them are in the civilian army, in definite duration in a maximum-security prison 30 miles west of Montevideo. Ironically, it is in the town of Libertad, meaning liberty.

As for development, in the first half of 1975 GNP grew by 3.6 per cent, and for the entire year probably surpassed the peak reached in 1972 — after a contraction of 0.1 per cent in 1971, of 4.3 per cent in 1972, and growth of 0.8 per cent in 1973 and 1.3 per cent in 1974.

Security is what immediately impresses most foreign visitors to the country. Although the effect is like being in a tomb after 10 p.m., Montevideo, for example, has cleaned house. For more than two years, no lectures have been interrupted at the University of the Republic by an ideological battle ground. Nor has there been a single strike in Uruguay during those two years: once there used to be four or five a day.

There is more than a mere suggestion of repression behind all this security. Accusations of torture against the services and police have accompanied the defeat of the Tupamaros, and in many cases quite obviously are justified. Any remaining threat to security was almost certainly removed by the recent discovery of Communist Party hideouts, complete with bombs and other weapons, and probably even more important, the names of those party leaders who had

## Northrop made payment of \$2m. 'rebate' to Iran

BY GUY DE JONQUIERES

NEW YORK, Feb. 23

NORTHROP, the aerospace concern, confirmed today that it has paid \$2.1m. to the Iranian Government to settle a disagreement over its employment of a company to act as its representative in Iran.

The company's statement follows a report by the New York Times correspondent in Teheran that the money was paid in an effort to mollify the Iranian Government, which has been cracking down on commission payments made to third-party sales representatives by foreign companies.

Citing an unidentified informant, the Times said that the cheque was accompanied by a letter addressed to a senior Iranian military official by a senior Northrop executive. It

read in part: "I trust this action demonstrates Northrop's full support of the policies of His Imperial Majesty with respect to the future conduct of business in Iran and that the relations between Northrop and Iran will continue."

The Times said that the \$2.1m. was paid over two weeks ago and described it as the first known instance of a "rebate" made to the Iranian Government by an American company accused of questionable payment practices.

Northrop said that it had first disclosed last July that such a payment might be made and added that there was no evidence that its use of representatives by cheque was accompanied by a letter addressed to a senior Iranian military official by a senior Northrop executive. It

Times disclosed the nature of the contract with which the rebates had been associated. But the newspaper pointed out that Northrop has sold numbers of F-4A and tactical fighters to Iran and disclosures of improper payments by Northrop to agents in Iran elsewhere had caused a furor.

According to documents released by the Senate International Sub-Committee, a report paid Mr. Kermit Roosevelt of President Theodore Roosevelt and a former CIA intelligence Agency official much as \$75,000 a year to for it in Washington. Last summer, the company admitted paying a \$4,400 to an Iranian tax official.

## New leader for Canadian Tories

BY VICTOR MACKIE

OTTAWA, Feb.

JOE CLARK, a 36-year-old former executive assistant to Robert Stanfield, the retiring leader of the Progressive Conservative Party, was himself elected national leader of the party when the results of the battle that took eight hours of balloting to decide the outcome.

Only 65 votes separated Clark on the fourth and last ballot on Sunday from the runner-up, Mr. Claude Wagner, from Quebec. Mr. Wagner is a former Liberal cabinet minister in the government who left the party when he lost out in the provincial leadership race to Robert Bourassa, now Premier of Quebec.

A law and order man, he represents the right wing of the party. The shift winners rallied behind Joe Clark whom they expect to continue the Stanfield line.

Mr. Clark came to politics through journalism by working for the family owned newspaper in High River, Alberta. In his mid-twenties he became chief organizer for the Alberta Tories in 1966 when they did not have a seat in the legislature.

Now, under the leadership of Premier Peter Lougheed, they hold the majority of seats in the Provincial House.

Mr. Clark has spent considerable time in Quebec learning French and discovering how to run a business. He has a respectable organisation in Quebec.

He depicts himself as a Conservative in the Disraeli tradition of England rather than the Barry Goldwater tradition. He is against capital punishment, favours tightening up environmental laws, and wants to settle the aboriginal

title claims against the crown. W. L. Laethens adds: The choice of Mr. Clark to lead the PC coincides with a low in public esteem for the Trudeau Government, only partially explainable by the immediate consequences of the recession.

Ottawa has been giving an impression of lack of purpose, and when the Government did act, rather dramatically, last October by imposing price and wage controls, Mr. Trudeau appeared to be acting against his own previous convictions.

During the 1974 election campaign he got the better of the Tories by holding up to contempt Trudeau.

Mr. Stanfield's proposals freeze. Business is equally enchanted with Mr. Trudeau's broadcast about the need for a "New Society" to make up for the failures of the market economy. But before writing of Liberal Party it is best to be in mind that Mr. Trudeau, handsomely, in 1974, all similar period of uncertainty that the recession may be and that, moreover, the party is irrevocably tied to Trudeau.

As regards domestic policy, the formula lays down the stability, expressed as the of pre-tax profits to total must not be greater than that of the average profit in the five years to October 1975.

And to help newly formed banks and those that had collapsed had spent during period, profits need not be below an amount of 1.05 per cent of on October 31, 1975.

Interest spreads will be monitored monthly, and bank is found to be at least 10 per cent above service charges or will be forego passing on higher

THE GROWTH of Canadian bank profits, already slowing down, will be further restricted by guidelines issued by the Anti-Inflation Board appointed to supervise the Government's wage and price controls.

Subject to certain exceptions, service charges will be frozen until October unless costs rise; interest spreads may not be increased; and profits will follow a formula intended to tie them to the cost of the past year.

Profits from foreign business will not be brought under the guideline control: an important exception, given that foreign business contributes about a quarter of the total made by the Canadian banks.

But if external profits should fall, the guidelines do not allow foreign passing on higher

## Treasury reports OPEC surplus 'peak'

THE U.S. Treasury now expects the OPEC nations to accumulate a maximum surplus of some \$200bn. since an increasing proportion of their investments in long term debt and equity instruments.

That in the future the Treasury expected the OPEC countries to widen, writes Robert I. Anderson, a Treasury spokesman, in the Peronist government front, Frejuli, the Peronist Party can any longer behind the door.

While the new Economy at Sr. Emilio Mondelli, order fifth mini-devaluation of the so far this year.

President Ford to-day now Mr. Robert Strauss-Hof, former college professor and Ambassador to Sweden, succeeded Mr. David Bruce, Ambassador to Nato in Bonn.

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## Security comes first

BY ROBERT LINDLEY, BUENOS AIRES CORRESPONDENT

not left the country. Most of them have been arrested, paralyzing, it is believed, Communist Party activities.

The power structure is seemingly well balanced between civilians and the military, who have run the country jointly since June 1973. Members of the armed forces supervise the administration and share key posts with the civilians. The forces have not taken all power for themselves and, apparently, Campos, in Brazil, and Sr. have no plans to do so. Almost Adalberto Krieger Vasena, in Argentina, is one of the most

that as one foreign observer in Montevideo put it — "if the Tupamaros had won here, they would have imposed their own kind of security, which would have been far less attractive."

Development, the other goal of the civilian-military Government, is less open to polemics. Its chief architect is the Finance Minister, Sr. Alejandro Vech Villegas, 45, who together with his opposite numbers, Sr. Roberto Campos, in Brazil, and Sr. have no plans to do so. Almost Adalberto Krieger Vasena, in Argentina, is one of the most

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that as one foreign observer in Montevideo put it — "if the Tupamaros had won here, they would have imposed their own kind of security, which would have been far less attractive."

## OVERSEAS NEWS

## Indonesia seeks to trim Caltex profits

By Our Own Correspondent

JAKARTA, Feb. 23. THE Indonesian Government hopes that current contract renegotiations with its major oil producer, Caltex, will trim \$1 off the estimated \$2.30 a barrel profit now earned in the company's Indonesian operations. The target means that Caltex would foot almost all of the \$280m. in extra oil revenue, which the Government plans to squeeze from foreign oil companies in the forthcoming 1976-77 financial year beginning on April 1.

Informed estimates here say that Caltex earned between \$600m. and \$700m. from its Indonesian production, which last year averaged about \$21,000 barrels a day. The Indonesian Government argues that the \$2.30 a barrel profit is unfairly high set against the general 20 cents to 30 cents a barrel profit earned by Middle East producers. Caltex entered the negotiations "stone-walling," all industry sources here say. The company argued that the high profit was justified by the company's investment programme in Indonesia.

However a Caltex team recently left here to refer the proposals to their principals in the U.S., and Government sources appear confident that an agreement is near.

A desperate budget situation is behind the Indonesian demand. Oil is the main export income and Government revenue earner, and last year total production averaged only 313,500 barrels a day against 392,200 in 1974 and 1,338,700 in 1973.

A slow recovery took production up to 1,421,100 last December, and it is expected to be some time before the maximum output of about 300,000 barrels a day is achieved.

The decision to follow last October's OPEC oil price increase only to the extent of a 6 per cent. rise plus private concessions to new buyers seems that a squeeze on existing profits is almost the only way of raising oil revenue.

The Minister of Mining, Dr. Soeharto, said earlier this month that the Government "has the sovereignty and political authority to guarantee that foreign companies abide by any Government decision."



Chinese people take notes at Tsinghua University in Peking of wallposters criticising "capitalist leaders," apparently aimed at senior Vice-Premier Teng Hsiao-ping. The wallposters started appearing after Hua Kuo-feng was named acting Premier instead of the expected appointment of Teng.

## Nixon received by Chairman Mao

PEKING, Feb. 23.

EX-PRESIDENT Richard Nixon to-day had a meeting here with Chairman Mao Tse-tung, four minutes less than President Ford's meeting with the Chinese leader last December. Later Mr. Nixon was to have a second round of talks with Mr. Hua Kuo-feng. Nothing was revealed of the contents of their two and a-half hour discussion yesterday except that it was a "common interest."

## Lee warns of danger to ASEAN

BY PETER DUMPHY

TOKYO, Feb. 23.

A MORE effective Association of South East Asian Nations (ASEAN) will help to ensure that "incipient insurgencies" do not develop into "full scale revolutions," Lee Kuan Yew, the Prime Minister of Singapore, declared in what was in many respects the keynote address at this morning's opening of the two-day meeting of Heads of Government being held in Bali. All five leaders delivered unexpectedly substantial policy statements in the formal proceedings before going into closed session to put final touches to the declaration they will issue to the Press to-morrow night. However, Lee and President Marcos of the Philippines were much the bluntest in seeking to inject a sense of urgency into the nine-year-old association of Indonesia, the Philippines, Malaysia, Thailand and Singapore.

The essence of their message was that South East Asia is a distinctly more dangerous place in view of the result of the Vietnam war, American pursuit of détente, and world economic problems. ASEAN co-operation is the most promising way of coping with this, plus emergence of the four-nation Indo-China bloc, Lee said. He quoted the "vaguely analogous" situation in which the EEC was driven into existence in response to the pressures of a "competing system."

President Suharto had made last minute concessions to the economic co-operation lobby, but he stopped short of declaring that the result will be satisfactory. "It is a question of whether we have the will and vision to reconcile short-term interests for the sake of long-term objectives," he said.

## Polisario men see Riad

BY BIRENE FURNES

ALGIERS, Feb. 23.

DIPLOMATIC efforts to settle the differences between Algeria and Morocco over the Western Sahara have taken a new turn with the visit of Mr. Mahmoud Riad, general secretary of the Arab League, to Algiers and then to Riad. Mr. Riad, who was received by Polisario delegates, Mr. Habib Allah, member of the Polisario executive committee and Mr. Ould Zibou, president of the Saharan Provisional National Council, who spent more than two hours putting the Polisario case to Mr. Riad. Mr. Riad, who was received by Polisario delegates, Mr. Habib Allah, member of the Polisario executive committee and Mr. Ould Zibou, president of the Saharan Provisional National Council, who spent more than two hours putting the Polisario case to Mr. Riad.

## Diamang may hand over in Angola

LISBON, Feb. 23.

THE DIAMOND Company of Angola, Diamang, has begun negotiations with the MPLA Government in Angola, aimed at handing over its concession rights in the former Portuguese colony.

Sen. Carlos Abecassis, chairman of the company, said Diamang would like to surrender the concession to the Government and remain as a "contractor-partner" to operate the mines on the Angolan Government's behalf.

In an interview with Reuters, the Diamang chairman said the company was running at a "tremendous and permanent loss," which it could no longer sustain. Production had dropped 50 per cent. in 1975 and the fall had reached 85 per cent. in the last four months. This was due to a "spectacular" drop in productivity, together with a sharp increase in illicit mining and diamond stealing in the area.

The Diamang concession mainly covers the north-eastern quarter of Angola along the border with Zaïre, and produces about eight per cent. of the world's diamonds.

Sen. Abecassis said the amount of stolen Diamang diamonds now held in Angola and Portugal probably exceeded a year's normal production by the company. Diamang produced 1,900m. carats in 1974 and the chairman said its capacity in 1975 would have been pushed up to 2.5m. carats in normal circumstances.

The Portuguese Government recently allowed Diamang to buy diamonds smuggled from Angola by thousands of refugees who fled from the territory last year.

Diamang is jointly owned by the Portuguese Government, British, South African, American, Belgian and private Portuguese shareholders. The State of Angola also has an 11.6 per cent. stake and used to receive half of the profits.

Negotiations with the Angolan Government began a month ago in Luanda. The MPLA was extremely anxious not to give the impression that it wanted to nationalise the company, the Diamang chairman said. He was convinced the Government wanted Diamang to remain as the technical operator of the mines, and he believed a profit-sharing agreement could soon be reached.

## THE EAST AFRICAN COMMUNITY

## A pattern of decay

BY JOHN WORRALL, NAIROBI CORRESPONDENT

PRESIDENT Idi Amin of Uganda has gone a long way to seal the dissolution of the all-African Community by regularly at meetings of the East African Legislative Assembly, claiming huge slices of Kenyan territory. He has infuriated President Kenyatta to the point where he sanctioned angry anti-Amin demonstrations through-out Kenya—and even turned up in person at one Nairobi rally to proclaim: "Not an inch will be given up."

Whether Amin was naive, whether, as he says, he "read it all in a book," the Ugandan leader seems to have lost the most important President in Africa prepared to tolerate him. He has been on frigid terms for years with his other Community partner, President Nyerere of Tanzania. The three Community Presidents may never now meet to sort out the looming problems of the Community Corporations—Railways, Harbours and Communications—which have been sinking deeper and deeper into the financial morass.

The World Bank and the Crown Agents in London, among other creditors, are increasingly concerned about the financial paralysis that seems to have overwhelmed the Corporations.

Towards the end of last year it was tough and would suspend loan payments to the Railways and the Harbours Corporation. There had been failures to meet debt servicing obligations, not for the first time. Last year a series of crises rumbled on over debts owed to the Crown Agents, which supply huge quantities of equipment and spare parts to keep the Corporations running, especially the Railways. Spare parts were held up until bills were paid, and the Railways had to close some services in Kenya for lack of locomotives in working condition. Ships in Lake Victoria were laid up.

## Officials

In December the Crown Agents flew top banking and finance officials to Kenya to sort out the financial chaos. The Crown Agents do not reveal the details of their customers, but it is understood that the total Community debt to them is not far short of £22m.

The Corporations were saved—once again—by massive funds from the Community's partner Governments. But the Corporations, especially the Railways and the Harbours, are still bogged down by financial disarrangements between regions and headquarters. Ideological quarrels between socialist Tanzania and free enterprise Kenya, and sheer

## Dismantling

When the East African Legislative Assembly's select committee on the Harbours recently recommended that the Corporation should be decentralised almost to the extent of dismantling the headquarters in Dar-es-Salaam, it seemed that the breakup was inevitable. A Canadian firm of railways consultants, Canac, is working out the distribution of liabilities and assets of the railways for the decentralisation programme. A firm of Nairobi chartered accountants has prepared a massive report on the Community's assets and liabilities.

The Review Commission will undoubtedly have to grapple with many awkward issues that do not seem to have been considered by commentators for and against the Community. For instance, what happens to the large labour force employed at Corporation headquarters? Redundancies must be feared—and every state already has its unemployment problem. What happens to the East African Legislative Assembly, the East African Appeal Court, the scientific and research bodies, and the Common Market?

It seems to be taken for granted that the East African Development Bank will continue. For the World Bank has just given it a loan of \$15m. for industrial projects in the three territories. But most of the rest appears uncertain.

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## EUROPEAN NEWS

## RHODESIA AND NAMIBIA

## EEC backs 'self-determination'

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

EEC FOREIGN Ministers to-night adopted a major policy statement on Southern Africa that the British Government is bound to use to apply further pressure on the Smith regime in Rhodesia. The declaration, agreed despite initial French misgivings, firmly underlined the Nine's support for "self-determination and independence for the Rhodesian and Namibian peoples" and condemned apartheid in South Africa.

Leaving the meeting, Mr. Roy Hattersley, Minister of State at the Foreign Office, said the declaration should help to persuade Mr. Smith that the situation in Rhodesia must conform to the "normal standards of civilised behaviour." "If Mr. Smith has any sense he will realise that the body of moral opinion is growing stronger," he stated.

The main aim of to-night's declaration was to re-establish a common EEC line on Southern Africa following last week's failure to organise simultaneous recognition of the MPLA regime in Angola when France went ahead unilaterally. Mr. Gaston Thörn, the Council President, described to-night's efforts as a "great improvement."

France had last week refused to subscribe to a joint EEC statement calling for an end to foreign involvement in Angola. To-night's declaration, however, condemned all outside military intervention in the country and said it was up to the Angolan people to decide their own future.

Mr. Hattersley made it clear that "foreign military intervention included both Cuban and South African activities."

The Nine said all African States had the right to decide their own policies, without foreign interference or the formation of "zones of influence." M. Thörn pointed out this applied equally to Zaire and Zambia. The declaration calls for "peaceful and constructive co-operation" between all the States in the area.

At the same time, the declaration contained an offer of Community "co-operation" in so far as this was sought by the Southern African countries. M. Thörn said it was too early to say whether Angola would join the Lomé Convention, linking the Community with 46 nations in Africa, the Caribbean and Pacific, although most Ministers clearly consider this a possibility. Economic aid will be provided for forthcoming if Angola wants it.

The declaration expressed the Community's appreciation of efforts by the Organisation of African Unity to find an "African solution" to Angola's difficulties, and reaffirmed the Nine's support for the OAU in promoting African co-operation.

Several Ministers expressed regret over France's unilateral recognition of the Luanda regime, but the incident was passed over fairly briefly. M. Jean Sauvagnargues, the French Foreign Minister, actively dismissed criticism by pointing out that all the eight other Governments had followed Paris within three days.

The Ministers briefly reviewed Cyprus, East-West relations and the Nine's Euro-Arab "dialogue" with the Arab world. They agreed that the Community's working party on international terrorism should intensify its activities with a view to making proposals for action at EEC level.

LUXEMBOURG, Feb. 23.

## Friderichs faces union opposition

BY ADRIAN DICKS

BONN, Feb. 23. THE WEST German Economics Minister, Herr Hans Friderichs, faces a difficult time to-morrow at the hands of the trade unions when he meets the movement's representatives, together with those of the employers' organisations, in the regular "concerted action" group.

The union side is expected to take issue with the Minister's emphasis in recent speeches and statements on the need for higher profits and investment incentives, while insisting that the outlook for unemployment remains bleak. Herr Friderichs, who has consistently expressed a cautious view of the strength of the current recovery in economic performance, warned once again over the week-end that the unemployment total was unlikely to fall below 1m, even if hopes of a relatively strong improvement in real growth in 1976 are fulfilled.

This figure is a little less hopeful than Herr Friderichs' own experts forecast in their annual economic report last month: the Ministry's considered opinion at that time was that the number of unemployed could be expected to remain at about 900,000 at the end of this year, given real growth of 4 to 5 per cent.

The German unions do not accept this forecast, taking a much less pessimistic view than the Economics Ministry—supported by several independent economic forecasters—holds on the structural weaknesses of the labour market.

They are also likely to resist stronger pressure from the Government and from the employers' side that wage restraint should be made the main order of the day, even while Herr Friderichs is still calling for greater stimulus to investment.

The union argument is that steady growth of wages, and thus of consumer purchasing power, has been one of the pillars of recovery so far, and that it would be equally as well to refrain from further voluntary restraint.

## General pledges army will keep out of Spanish politics

BY ROGER MATTHEWS

MADRID, Feb. 23. SPAIN'S first deputy Prime Minister, General de Santiago, warned the country to-day about the dangers of Marxist subversion but said that the army would not become involved in politics. In a speech to the Military Studies Centre, he pledged that Spain would remain loyal to its "traditional" ideology which was rooted in the Catholic religion and would withstand all attacks from within or from abroad.

On more practical level, he expressed concern about the low levels of pay within the armed forces and suggested that more modern equipment should be provided. Stressing that virtually all military hardware was supplied from overseas, the General implicitly suggested that far more should be done to establish Spain's own manufacturing facilities.

Other members of the Government, who meet to-morrow to put the final touches to a hotly disputed package of economic measures, are understood to be aware of the need to increase military spending but are more immediately concerned with the financial difficulties facing many of the country's major industries. Instead of a secret-law the Government seems to have decided to submit its economic plans to the Cortes for approval, a tactic which will necessarily cause a further delay in their introduction.

The Finance Minister is due to appear on television on Wednesday night to explain the significance of the new measures.

He is also likely to appeal for a spirit of industrial peace which with strikes continuing to plague several regions, is a topic of mounting anxiety. Two of the main centres, are currently in a state of tension. One is Vigo, where over 10,000 men are out and in Victoria where strikers have affected the city for the past seven weeks. Signs of abating in Barcelona construction workers, and municipal staff remain on strike and in Seville troops are maintaining a reduced bus service due to the stoppage by drivers.

Over 14,000 miners in the north-west have now been on strike or locked out for nearly two months and Spain's increase its imports of coal. Ironically, the news of the illegal Communist reported today a donation of nearly Ptas 30,000 from Polish comrades.

One of the biggest ever regime demonstrations, yesterday in Paris with the permission of the government. An estimated 3 workers and their families marched peacefully through streets to protest at sack of living. While the Government seems willing to permit such demonstrations in provincial towns, it is still no indication that would be allowed in Barcelona or other centres.

A series of three round-table conferences, organised by Catholic organisation Justice Peace to discuss religious, political and economic topics, a number of members took part were due to take place in Madrid this noon by Government order reason was given.

## Soaring development costs for MRCA

BY NICHOLAS COLCHESTER

BONN, Feb. 23

THE CONCLUSIONS in a confidential report by German Defence Minister Georg Leber on the German-British-Italian programme to build a Multi Role Combat Aircraft (MRCA) support the current assumption in Bonn that the aircraft will go into series production later this year.

Yet, according to Parliamentary sources, the report spells out the most serious problems that have afflicted the programme and aspects of the aircraft's performance that remain unsatisfactory.

The prices quoted for the MRCA in December 1974 prices, they do not therefore reflect increases that have certainly occurred over the past year. The December 1974 "fly-away price" was DM23.5m, or £4.5m, per aircraft compared with the DM15m, or £3.5m, per aircraft cited in 1970. When pre-production costs are added to this "fly-

away" price they yield a unit cost of DM29.2m, or £5.8m. On top of this comes another DM15m, for necessary spares and ground and training equipment yielding a total price at the end of 1974 of DM44.2m, or £8.5m, a unit.

Minister Leber claims that the manufacturing consortium is now willing to be tied down to a fixed price "despite massive resistance by the British and Italian partners and in particular from British industry." Negotiations around the prices mentioned above are now under way.

He maintains that the "fly-away" price is no surprise, increase on that originally envisaged in overall inflation is taken into account. He says that the performance of the MRCA was acceptable to the air forces of all three partner countries. The decision to put the MRCA into series production will not be taken until the second quarter and will not be formalised until the end of June. Parliamentary sources here suggest that the six-month delay has been largely due to problems with the aircraft's engines. Failures of turbine blades developed by Rolls-Royce have led to lower durability and maximum power, together with higher fuel consumption, than had been hoped for. These shortfalls have had an adverse effect on the aircraft's range and short-take-off performance.

The Leber report also confirms that the series production agreement must contain provisions, yet to be worked out, to see that the price of the MRCA does not escalate wildly if the number of aircraft finally ordered by the three countries is reduced somewhat. At the moment a total of 332 for Germany, 100 for Italy and 385 for Great Britain.

Some 165 of the British aircraft are an air defence, or fighter version, and industry sources in Germany believe that it is here that the greatest uncertainty lies. The official British Government line is that it remains intent on developing the air defence version at extra cost. Yet there is clearly mounting doubt in London that the MRCA is the right choice for the British air defence aircraft in view of the mounting cost of the conversion, the aircraft's performance short-comings, the time it will take to develop the different version and the fact that European allies have opted for proven American alternatives.

It is also clear that cancellation of the British air defence version would have an important impact on the MRCA price. Figures that are now being worked out.

## U.K. renews efforts to gain Community nuclear site

BY DAVID CURRY

BRUSSELS, Feb. 23.

BRITAIN will to-morrow renew its efforts to prevent the establishment of the Community's research programme into nuclear fusion at Ispra in Italy rather than at Culham, near Oxford, where the design work on the experimental apparatus has been carried on.

With London's attitude apparently hardening in support of Culham and the other Community members leaning without overt enthusiasm towards Ispra, it is becoming increasingly likely that the decision will be postponed. There may be an attempt by Science Ministers to make some progress by agreeing to release enough funds to keep the work going and the design team in existence pending the final decision on the site. Italy has always refused to sanction approval of the programme divorced from the site decision, and if she takes the same line to-morrow it may well be that Rome rather than London will end up in the doghouse.

## Portuguese military may provide protection

LISBON, Feb. 23.

PORTUGUESE ARMY General Antonio Ramalho said to-day the military would intervene if necessary to guarantee the safety of forthcoming elections after shooting broke out in a political rally addressed by left leader Mario Soares.

Troops and paramilitary guard were rushed to the small farming town of Benavente, south of here, with the incidents, which included one Socialist Party national, Senhor Aires Rodrigues, he would not hesitate to use the armed forces to guarantee the safety of the elections if "hoodlums" disrupted the political rally.

The general, who left today for Brussels to visit headquarters, was coming on the fighting at last. Socialist meeting—for which Soares' party has laid fall on the Communists and a Socialist statement of a crowd of Socialist supporters with shotguns and attack with stones, razors and iron. It said the incident was an attack on democracy and the Communists of using the methods.

Referring to the Communist leadership's repeated recent weeks for an attack on democracy and the Communist Party, using a manoeuvre, throw out with offering unity to our me (the Communist Party's) in the Socialist supporters.

Last night's incidents in the Alentejo Province over the past year most large estates have been seized by Communist farmworker Reuter.

## New Czech plan seeks price stability

VIENNA, Feb. 23.

RETAIL price stability, utilisation of capacities, increased productivity in the production of grain and balanced growth on the main targets of the new Czech five-year plan for 1976, according to the director released during the week-end in the Communist Party.

According to the document which will be submitted next Party Congress in national income should rise 27 per cent to 29 per cent industrial output by 32 per cent to 34 per cent, and exports by 72 per cent to 74 per cent. The plan envisages the country should be self-sufficient in grain, and farm output five-year period is set to rise by 13 per cent to 16 per cent.

## Minister calls for boost to Cyprus economy

BY OUR OWN CORRESPONDENT

NICOSIA, Feb. 23.

FINANCE MINISTER Mr. Andreas Patsalides said to-day that prospects for the continued improvement of the Cyprus economy this year were "good." But he called for greater effort, faith and determination on the part of the private sector.

Addressing Parliament on the 1976 ordinary and development budget, Mr. Patsalides said the budget deficit was intentionally higher than last year "mainly because the contribution of the private sector has not yet reached the desired level" following the events of 1974.

The deficit in the ordinary budget of £65.1m, expenditure stands at nearly £20m, while the development budget (£231m) remains almost unencumbered.

The Finance Minister said these deficits would be met with a grant from the Greek Government and loans secured from external sources. "The public debt is by a fortunate coincidence low and leaves margins for further borrowing," Mr. Patsalides added.

He stressed that despite the "heavy blow" suffered by the Cyprus economy as a result of the Turkish invasion, it was now showing "obvious signs of recovery," though the decline of the real gross domestic product last year was estimated in the region of 85-90 per cent, 1974-1975.

The Minister criticised the "impatience" shown by many Greek Cypriot workers to return quickly to previous living standards. He urged them to show "utmost self-restraint and especially industrial peace."

Mr. Patsalides said that in the two budgets, emphasis was given to developing agriculture, animal husbandry, industry, exports and tourism, and these sectors to show "utmost self-restraint and especially industrial peace."

Efforts would also be directed this year towards creating more employment opportunities for the 300,000 Greek Cypriot refugees.

Turkish Cypriot leader Rauf Denktaş said to-day the Cyprus peace talks were back on course after months of delay. "In my view the five-day Vienna talks on the future of the island were quite successful," he told Reuter in Ankara.

Mr. Denktaş arrived in Cyprus on Sunday to brief the Turkish Government leaders on the fifth round of the peace talks.

## Abstention costs Polish MP his seat

BY PAUL LEONVAY

VIENNA, Feb. 23.

ONE of Poland's most respected Catholic intellectuals, Professor Stanisław Stomma — hitherto leader of the five-member strong Catholic group called Znak in the Sejm (the Polish Parliament) — appears to have been eliminated from political life as a result of his abstention from voting for the new Constitution earlier this month.

His name is not on the list of candidates for the March 21 general elections, ostensibly compiled by the National Unity Front which is in fact the front organisation for the ruling Communist Party.

Professor Stomma, who teaches law at Cracow University, has belonged for 19 years to the Sejm and often played an important role behind-the-scenes role in mediating between the RC church and the Communist regime. The 57-year-old lawyer was the only one among the 460 MPs who on February 10 dared to abstain from voting for the new constitution which has provoked strong opposition by the church and many prominent intellectuals.

It is evidently a punishment for his dissent that he is no longer allowed to belong to Parliament. As in other Communist countries, the list of candidates in Poland is also selected and approved by the Communist Party.

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## The Areas for Expansion

HOME NEWS

# Committee starts drive for new rig orders

BY RAY DAFTER, ENERGY CORRESPONDENT

AN ATTEMPT to prevent a run-down of the offshore platform building industry is to be made by a tripartite committee which meets for the first time in London today.

Shop stewards from Laid Offshore, the Hartlepool platform yard, will meet Mr. Anthony Wedgwood Benn, Energy Secretary, at the same time in an attempt to avert a threat of 1,300 redundancies in the next four months.

They will ask Mr. Benn for direct Government help to safeguard the future of the company.

Laid Offshore has said that most of the remaining 500 jobs are dependent on a new order being placed by Marathon for operations in the Celtic Sea.

Laid Offshore is the first platform yard seriously hit by the general shortage of orders, but other companies are reaching the end of contracts with little hope of obtaining new work in the immediate future.

Mr. John Smith, Minister of State for Energy, said yesterday

## State to pay £2.6m. for platform study

BY DAVID FISHLICK, SCIENCE EDITOR

Other Home News on Page 29

PUBLIC FUNDS totalling £2.6m. have been allocated to studies of the behaviour of offshore structures under the impact of the especially damaging combination of fatigue and corrosion encountered in the North Sea.

Announcing this yesterday, the Department of Energy released the findings of the latest programme—a £300,000 group of studies into concrete structures. Industry is to find £100,000 of the cost.

The Government is responding to recent attacks alleging that North Sea structures are stretching the engineering design beyond the limits of known knowledge.

This criticism was voiced at a conference on offshore structures organised by the Underwater Engineering Group of the Construction Industry Research and Information Association (CIRIA) earlier this month.

The biggest research programme mounted by the Department of Energy—it will account for almost £1m. in the current year and another £14,000 next year—is the U.K. Offshore Steel Research Programme, under the direction of the U.K. Atomic



Mrs. Margaret Thatcher, Leader of the Opposition, yesterday opened an exhibition of wool carpets, all of which are due to be held under price restraint for the next six weeks. The carpets, which are priced at under £8 per square yard, are on display at the International Wool Secretariat's headquarters in London, and are available through eight leading department store groups, with a total of nearly 400 branches.

## Talks called on forming 'State CBI'

By Adrian Hamilton

THE HEADS of about 20 of the largest nationalised industries meet tomorrow morning to consider establishing a permanent body to coordinate their views to Government and public.

The meeting at the offices of the Electricity Council, will be chaired by Sir William Ryland, chairman of the Post Office.

The decision to consider a 'State industries CBI' came partly in response to increasing pressure by the Government to gain a nationalised industry view on economic policy, and partly in answer to the common concern by chiefs of State corporations about such issues as pay and pricing.

Increased

Chairmen of the seven largest corporations have met at monthly luncheons for more than a decade on an informal basis. But in the last two years the number of nationalised organisations has increased considerably, and the Government has started to call regularly for views to be put in writing about 20 corporations to discuss formulation of its counter-inflation policy.

The objective of tomorrow's meeting will probably be confined to setting up a permanent committee to coordinate the views of the State corporations, and deciding how it should be staffed and report to members.

There remain differences of opinion among major corporation chairmen as to who should be included in membership and how far such a body can represent views of all members.

## NEB has share in another tender

BY ADRIAN HAMILTON

THE National Enterprise Board is now involved as a partner in a second tender for a major construction and engineering contract abroad.

The Board, which for several months has been studying the problems of British companies attempting joint tenders for high-cost turnkey contracts, is talking to several companies about forming such partnerships.

The first tender, reported yesterday, is a joint enterprise with Rio Tinto-Zinc and GEC for a desalination plant and an associated 180 MW power station in Dubai.

The Board would not be drawn yesterday on the second tender. Award of the contract is some time away. NEB is still tying up the details of its equal partnership and responsibilities with the two companies.

### Major projects

It has made a number of approaches recently in an effort to boost British orders in a market for major turnkey projects worth more than £100m.

The Board's interest comes at a time when the Government has been expressing increasing concern that U.K. companies could miss out on the growing demand from developing countries for large-scale engineering contracts because of the sums involved and the reluctance of companies to undertake 'joint and several' risks.

The central contribution which the NEB could make, its officials feel, is not in the actual handling of the tenders but in bringing the partners together, reducing some of the financial strain on companies which might be involved in several tenders each worth £100m. or more, and in providing a solution to the joint and several risks difficulties as a lead contractor.

The NEB is also known to feel that Governments, particularly in the Middle East and South America, now prefer to deal with consortia with some state involvement, preferably as a lead contractor.

At present the Board is not limiting its interest to any particular contracting field but is concentrating on partnerships with large companies of international standing and an contracts that would involve substantial supplies of equipment from Britain.

### Catalyst

This fits in with the philosophy of the Board's chairman, Lord Ryder, who has argued strongly that his organisation should act not only as holder of the state's interest in companies but also as a catalyst to help British industry during the depression.

In addition to this initiative on contract tenders, the Board is sponsoring an engineering initiative for the creation of a counter-cyclical stock of semi-finished machine tools which could be finished off and sold once the economic revival gets going.

Its interest in contract tenders is being developed by Mr. Leslie Murphy, the Board's deputy chairman, and several experienced executives from industry are being recruited.

## Expanding into trouble

BY RHYS DAVID

AFTER ALL the protests about saving of 55m. The mail order operation—the cornerstone of the company's original penetration of the U.K. household textile market—has been hit back by a big household textiles concern—the Brentford Nylons. The company has been hit back by a big household textiles concern—the Brentford Nylons. The company has been hit back by a big household textiles concern—the Brentford Nylons.

With demand in the shops falling away badly at the end of last year, Brentford put its 1,400 household textile workforces on short-time in November—though the full-week working was later restored—but it appears that the efforts have not been enough.

Though accounts have not been published since 1973, when the company reported a profit of £250,000 on turnover of £26.6m. against £204,000 losses the previous year, it is thought that profits were down again in 1974 and that heavy losses were made at the end of 1975 after a brief recovery in the earlier months of the year.

Prices held

The company has held prices of its main polyester-cotton sheet, which failed to develop as hoped, at up to 50 per cent below those of some competitors, though quality and style are directly comparable—but even this price differential has not been enough to generate sufficient custom.

There are hopes that the company can be restructured, but its failure will be seen as the end of a highly original chapter in the history of British textile marketing. Brentford's massive advertising, its vast market for nylon sheets in the U.K. and sold them largely through mail order.

### Cash position

The result has been a serious cash position, with sales in the 70s created virtually single-handedly by the company's massive advertising. Brentford Nylons shops falling away badly as consumers have cut back on their textile spending.

In a bid to conserve cash the company cut out its advertising through the garment operations in Scotland and the north-east with the loss making about 700 jobs and a wages bill one third of sheet sales in the 1960s period.

## FT CLIPPER RACE

BY ALEC BEILBY

## Drenched and speeding GB II expected home to-morrow

IT LOOKS like a to-morrow afternoon finish for Great Britain II as she nears the end of her 150-day voyage from Sydney to Dover in the Financial Times Clipper Race.

As well as adding the second leg winner's prize to that she won over the first leg, from London to Sydney, she will collect the Financial Times Patriarch medal for the fastest clipper to complete the 500 miles before Saturday.

How long she will keep the record for the return voyage will depend on the progress of the French ketch Kater II, now heading for the equator and the Doldrums.

Restarting from Australia 27 days after the British yacht, she is now two days ahead of the equivalent of her present position.

Chief Petty Officer Roy Mulender, skipper of the British yacht, reported to the Army Apprentices School at Harrogate yesterday that he and his team of Servicemen were still averaging 10 knots and at 11 a.m. were 200 miles WSW of Ushant.

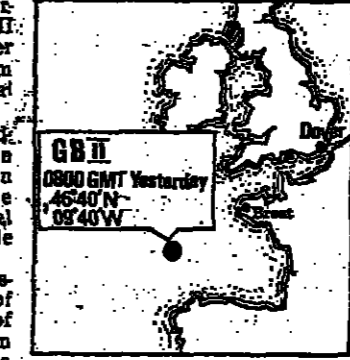
It seems that the severe weather that had given them an even better speed has moved north, held out of the Western Approaches and the Channel by high pressure over Scandinavia. But the forecast for Biscay and Sole, to the west of the Channel, is still of fresh westerly winds, exactly what is needed to give Great Britain II her best speed for the final miles.

Anything other than easterlies will suit the yacht which, since passing the Azores and with the help of storms in the eastern Atlantic and Biscay, has been able to steer the shortest route for home at maximum speed.

The weather during the past few days, although ideal for breaking records, is described from the yacht as thoroughly unpleasant with the helmman and those on watch being drenched by icy seas as the Great Britain II plunges and surfs through the breaking rollers—a sharp contrast to the warm calms last week off the Azores, when the crew were able to have a swim.

Race officials are debating whether the Australian yacht Anacoana II should be penalised for receiving outside assistance when special charts were dropped on her way with the south of New Zealand. It seems unlikely that any penalty could affect the overall result.

GREAT BRITAIN II position: 49.30 N, Feb. 23, 48.40 W, 9.30 W.



## Bigger share of investment goes to assisted areas

BY ROY HODSON, REGIONS EDITOR

A MARKED SHIFT in new industrial capital investment from the Midlands and the South of England into the assisted areas took place between 1974 and the middle of last year, according to official regional investment statistics published yesterday.

For the first time the Government has released figures that enable regional industrial spending to be analysed on an on-going basis and the trends in the assisted areas to be monitored. It intends to publish a quarterly account of manufacturing industry's capital expenditure by regions.

The share of the non-assisted South and the Midlands declined from 46.5 per cent of all manufacturing investment in 1974 to 42 per cent, by the second quarter of last year.

The resources diverted went into Scotland and Wales, the North of England, and the Yorkshire and Humberside region.

The figures imply that the Government's policies for regional regeneration and expansion—costing £400m-£500m a year in 1974 and £600m a year since the regional employment premium was doubled—began to be more effective as the recession loomed and industry became more selective about investing than in the boom years.

During 1974 U.K. capital expenditure was £3,240m, of which more than 80 per cent was invested in plants in England, 8.4 per cent in Scotland, 6.1 per cent in Wales and 2.2 per cent in Northern Ireland.

By the second quarter of last year the share of new investment going to England had fallen to 80 per cent.

### Increased

Chairmen of the seven largest corporations have met at monthly luncheons for more than a decade on an informal basis. But in the last two years the number of nationalised organisations has increased considerably, and the Government has started to call regularly for views to be put in writing about 20 corporations to discuss formulation of its counter-inflation policy.

The objective of tomorrow's meeting will probably be confined to setting up a permanent committee to coordinate the views of the State corporations, and deciding how it should be staffed and report to members.

There remain differences of opinion among major corporation chairmen as to who should be included in membership and how far such a body can represent views of all members.

## SE reaffirms support for direct settlements

BY MARGARET REID

THE STOCK EXCHANGE has reaffirmed its support for the steps towards its Tallisman computerised settlement system—due to start in 1978—after rejecting a possible variant for firms outside London, of one preliminary stage.

In a letter to senior partners of all the exchange's firms, Mr. Nicholas Goodson, the new chairman, says: 'The council is determined to implement the Tallisman system of direct settlement between brokers and jobbers via a Stock Exchange depositary.'

To achieve this, the exchange has first to establish facilities for handling stock and ways of reporting and accounting for the country—the checking and accounting stage known as CHARM.

Mr. Goodson says that good progress is being made, after not setting up this preliminary stage in London, but that some country firms had thought there might be a cheaper alternative.

This possibility, known as TRIFLE, was considered by a working party headed by Mr. Robert Fell, the exchange's chief executive. But, says Mr. Goodson, it concluded that although other systems might be devised, CHARM offered the cheapest and surest way of preparing for Tallisman.

Charges will shortly be published for the CHARM checking and accounting system in London, which will give an indication of charges for that system throughout the country. Estimates are that Tallisman will cost member-firms some £2m. a year, but that savings should amount to £13m. annually, at 1975 prices.

## Third of cash-and-carry wholesalers 'may go'

A WARNING that a third of cash-and-carry operators might be forced out of business in a few years unless they 'stream-line' their operations has been given by David Lingham, chairman of the Cash and Carry Section of the Wholesalers' Federation.

The industry, which developed rapidly in the late 1950s, is up faster than ever before. A seriously threatened by the combination of reduced turnover and rising overheads, Mr. Lingham said in the Grocer magazine.

The problems faced by the independent grocery—the cash-and-carry operators' traditional customer—must either reduce staff by 20 per cent, or make up to 20 per cent, redundant.

## New Drypool buyer likely

HOPES that part of the Drypool shipbuilding and engineering group can be saved from closure increased yesterday in spite of the withdrawal from negotiations of Sir Ian Stewart, the Scottish industrialist.

Mr. Robert Smith, the Drypool liquidator, said he was 'reasonably confident' of negotiations for the take-over of the company's Selly shipyard with another prospective purchaser.

## Honeywell wins first UK university computer deal

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

HONEYWELL has achieved its first breakthrough into the lucrative British university market for computers with an order worth well over £1m.

The Computer Board for Universities and Research Councils announced yesterday that Aberdeen University is to take a system based on two of Honeywell's large Level 96 Model 20 machines. It will replace an ICL System 4/70.

The significance of the deal is twofold. First British universities have generally tended to buy from IBM and Britain's ICL for their large system needs. Second, the order comes at a time of considerable speculation about the future of Honeywell's plant at Newhouse, Scotland, which makes the Level 96.

The main reason given for choosing Honeywell is its advanced IDS II database system, closely involved in the development of databases—one of the computer trends in the university industry.

## Two bank chiefs attack State borrowing

BY MICHAEL BLANDEN

THE NEED for improved profitability in industry and the dangers of Government borrowing 'crowding out' industrial finance were underlined last night in speeches by leading bankers.

Sir Eric Faulkner, chairman of Lloyds Bank, contrasted the U.K. banking system with the practice in Continental countries such as West Germany. 'To suggest that the fall of capital investment in industry is the fault of the banks seems to me just ridiculous,' he said.

Mr. Deryk Weyer, senior general manager of Barclays Bank, welcomed the Government's acceptance of the need to retrench on public-sector spending, but said it was too

early to tell whether the Chancellor had done enough.

Both spoke at Institute of Bankers dinner, Mr. Weyer said. Sir Eric made five main points in reply to the recent criticisms of the banking system and arguments that it should undertake longer-term investment in industry on the lines adopted in Germany and France.

There was no evidence, he said, that German or French banks had been more efficient in promoting economic growth than their British counterparts.

It was not shortage of funds which had deterred industry from buying new plant but the inability to be sure that the necessary cash outlay will result in a commensurate return within a reasonable time.

The profitability of British industry had fallen sharply as a result of heavy taxation, cost rises and general inflation.

And the biggest ingredient of inflation of all is Government overspending, resulting in an immense gap between its revenue and expenditure.

Third, the prime responsibility of banks as short-term lenders must be to give an indication of charges for that system throughout the country. Estimates are that Tallisman will cost member-firms some £2m. a year, but that savings should amount to £13m. annually, at 1975 prices.

The lowest he could remember.

Mr. Weyer said that the pre-empting of savings by the Government's requirements mattered less at present, when industry's demands for finance were low.

But the prerequisite of a prosperous economy is that industry's demands should be high, both for maintaining higher levels of stock to meet growing business and for plant modernisation.

It would be disastrous if industry's needs were crowded out by the Government when economic expansion came. 'Unless the community's real savings are tapped to provide funds for industry at reasonable prices through the banks, the Government will have to print money and the inflationary spiral will start again.'

## Meriden motor-cycle 'on road in April'

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

THE FIRST motor-cycle to carry the name Meriden, the motor-cycle cooperative near Coventry, should be on the road in April.

Under an agreement in Italy with Moto Guzzi, the co-operative will begin assembling a 125 cc model from imported kits providing final details on costings can be agreed.

'At present the Meriden factory is restricted to the Bonneville 650 cc, which it used to make under the Norton Villiers Triumph banner before ex-employees took over the factory with Government assistance in 1973. A 18 month shift in resulting from NVT's decision to close it in September 1973.

Negotiations with Sir di Tomaso, managing director of Moto Guzzi, were concluded in principle last week.

An initial batch of 2,000 machines in component form should begin arriving at Meriden in April to enable the co-operative to catch the summer trade. In the late summer Meriden plans to move to Stage Two of the agreement, which enables British components to replace Italian ones.

'We have had the utmost co-operation from Sir di Tomaso and if all goes well we shall use the period April-August or thereabouts to develop the Italian components,' Mr. Denis Johnson, the co-operative's chairman, said last night.

Meriden is being allowed to make its own arrangements with Moto Guzzi, with concessional, Coburn and Hughes of Luton, which has more than 100 outlets.

The ability to use U.K. components and the independence of the co-operative should strengthen Meriden's cash flow. So far it has had to sell Bonneville at a fixed price for NVT to market, and the greater profit comes from marketing the bikes rather than manufacturing them.

Moto Guzzi is a leading quality manufacturer with a range from mopeds to six-cylinder 1,000 cc machines from three factories.

At West Bromwich talks continued yesterday over the sale of Jensen Motors, the specialist car-builder in the hands of a receiver-manager.

## Life Offices Association elects Abbey, Hambro

BY ERIC SHORT

ABBEY LIFE Assurance and Hambro Life Assurance, the two largest linked life companies in the U.K., were elected yesterday to membership of the Life Offices Association together with three other linked life companies—Cannon Assurance, Langham Life Assurance and Schroder Life.

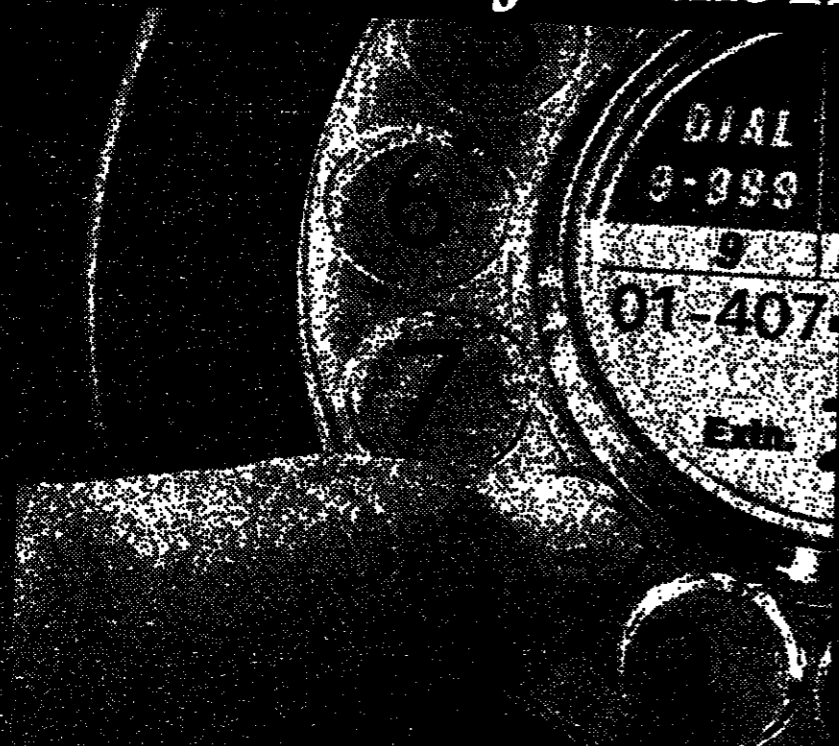
Mr. Kenneth Allen, chairman of the association, said that new members gave a high level of support within the life assurance industry for the new premium related commission structure which was agreed finally last July and is to be introduced on July 1 this year.

Mr. Mark Waghorn, chairman of Hambro Life, said that now the old commission structure of the association had been moved and the new premium-related system introduced many linked companies had sought or were seeking membership.

The new members will bring the amount of ordinary business written in the U.K. by members of the Life Offices Association and the Associated Scottish Life Offices to about 95 per cent. of the total.

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## LABOUR NEWS

# 'Retire early' is miners' priority

## TUC unions fail in move against staff group

BY LORELIE OLSLAGER, LABOUR STAFF

NOTTINGHAMSHIRE MINERS have put demands for early retirement and improved pensions and sick pay above a move for pay increases of up to 533 a week.

Branch meetings of the Nottinghamshire Miners' Association have endorsed the decisions of a recent delegate conference which put forward demands for early retirement, improved pensions and sick pay as the areas three motions for the union's annual conference in July.

A motion calling for £100 a week for coal-face workers came a poor fourth and, therefore, becomes the area's reserve resolution for the conference.

Other NUM areas have yet to consider their conference motions and there is little doubt that one of the union's militant areas will put up a challenge to any renewed voluntary wage policy which may be agreed by the TUC and the Government to replace the £5-a-week limit which expires at the end of July.

The NUM Left may rally round the £100 figure which they failed to have adopted as last year's claim, although it was agreed as a longer-term target figure for face workers who earn £61 a week plus the £5-a-week supplement just agreed with the National Coal Board.

The Nottinghamshire Miners' Association executive decision to lift the national overtime ban called in protest at plans to run down Langwith colliery in Derbyshire.

Seven hundred miners at Teverall colliery, Nottinghamshire, about eight miles from Langwith, are continuing the overtime ban until they are assured by the Coal Board that their pit is not in danger of closure.

The Coal Board told the Teverall miners that they had "nothing to worry about at present" but their pit would have to close in a few years. When the time came, there would be jobs available at other collieries in the area.

TWO TUC-AFFILIATED white collar unions have failed in a bid to oust a small staff association from the joint negotiating body for managerial and higher executive grades in the electricity supply industry.

The staff association, the Association of Managerial Electrical Executives, failed in turn in its bid to have only one organisation represent the 1,700 highly paid staff concerned.

Representation of the staff association and the two TUC-affiliated Electrical Power Engineers' Association and the National and Local Government Officers' Association—on the joint negotiating body was the subject of a special inquiry by the Advisory Conciliation and Arbitration Service last year. The findings were published yesterday.

The inquiry was in no way connected with present moves by TUC affiliated unions to

challenge the standing of staff associations as independent trade unions under the Employment Protection Act.

It was set in motion after the Electrical Power Engineers' Association withdrew from the joint negotiating body for higher executives earning between £5,600 and £12,500 a year because it claimed that the distribution of trade union seats did not reflect the strength of membership.

ACAS was asked by the Electricity Council, representing the employers, to examine the distribution of the ten trade union seats.

Each of the three organisations had previously held three seats, with the remaining seat reserved for the union which provided the staff side chairman.

During the inquiry, the Electrical Power Engineers' Association and NALGO suggested that they alone should

represent the higher managerial and executive staff. The staff association called for the formation of a single body to represent the staff concerned.

Both suggestions were turned down by ACAS. Instead, it recommended that the staff side seats should be redistributed to correspond as closely as possible with present membership—55 per cent in the Electrical Power Engineers' Association, 19.9 per cent for the staff association and 13 per cent for NALGO.

This means six seats for the Electrical Power Engineers' Association and two seats for each of the other two.

ACAS found that the staff association, although a weak negotiating body with only about 350 members, had considerable support—40 per cent of the staff would approve its exclusion.

## Chemical employers agree to set up joint working party

## Ransome £6 pay rise still in doubt

BY OUR LABOUR STAFF

THE CHEMICAL Industries Association, representing small and medium-sized chemical companies has agreed to set up a joint working party with trade unionists to examine ways of achieving greater consultation on manpower planning and investment strategies.

Mr. David Warburton, the General and Municipal Workers' Union national officer for the chemical industry, announcing the agreement at the union's chemical industry conference, said that "the aim is to have a dialogue at those levels where it matters most—at company and plant level."

The working party with the Chemical Industries Association had been set up within the "Little Noddy" for the industry.

Need for unions to discuss manpower and investment strategies with employers "as of right" was a recurring theme of Mr. Warburton's speech.

In line with his union's opposition to TUC proposals for industrial democracy, he said the GMWU did not seek to introduce worker-directors into boardrooms of chemical companies.

As the chemical industry was highly "capital-intensive", the GMWU sought "even greater investment than is currently the case."

As well as negotiating manpower and investment plans with unions, chemical companies should make planning agreements with the Government "in liaison with the trades union movement."

In the pharmaceutical industry, Mr. Warburton said, there was "an overwhelming case for the public ownership of at least one of the larger companies."

Pharmaceutical companies were notable for high profits and low wages and had effectively resisted all union pressure for effective disclosure of information.

A GMWU national conference of hotel and catering workers in London yesterday agreed on a more vigorous campaign to recruit employees in the industry. It called for a national minimum wage of £40 for a 40-hour week.

MORE THAN 2,000 workers at the Ransome Hoffman Pollar rolling mill factory at Newton, Nottinghamshire, returned to work yesterday after a week-long strike, in spite of the likelihood that the Department of Employment would advise that a £6 pay rise—the second such rise in six months—breaks the Government's pay policy.

The Department has told the company and union officials that the £6 rise given to the workers in July meant that no new increase could be given until next July.

The Amalgamated Union of Engineering Workers, the main union involved, claimed that the July rise had been for only six months.

The strikers returned to work after the company agreed to the £6 rise, back-dated to the beginning of January, if the Department approves.

Management and union officials met at the factory yesterday to establish their case before seeing Department officials again later this week.

The joint union-management argument, however, is unlikely to differ substantially from that rejected by the Department at an earlier meeting. It said then that another £6 rise would contravene the 12 months rule, under which only £5 can be paid over a whole year.

## TGWU plans to curb Thornett at Cowley

BY OUR OXFORD CORRESPONDENT

THE Transport and General Workers Union is moving to prevent Mr. Alan Thornett, the Trotskyist, British Leyland shop steward known as "the Mole," from becoming chairman of the joint shop stewards' committee at Leyland's car assembly plant at Cowley.

Officials of the TGWU have advised Mr. Reg. Parsons, the senior shop steward and outspoken critic of Left-wingers at the plant, to organise an election of a chairman by the union shop stewards.

They suggest that only the senior steward or his elected deputies should be nominated. If their advice is accepted, Mr. Thornett will be excluded because he failed to get elected in a factory ballot as a deputy.

Mr. Thornett is chairman of the union's biggest branch in the factory. Traditionally the TGWU branch chairman becomes chairman of the joint shop stewards' committee, but there are now two branches in the factory and this rule can no longer apply, says the union.

## GUS redundant offered £4m.

A £250,000 severance pay offer has been made by Great Universal Stores to 800 redundant staff of the GUS men's wear subsidiary John Temple, the Union of Shop, Distributive and Allied Workers said yesterday. This is more than the normal redundancy money.

The offer will be considered at union meetings this week, before a national delegate conference in Manchester next Monday.

## Union calls for Press 'code of practice'

ALLEGATIONS of bias in reporting and presentation of news will be heard at a conference of Yorkshire Regional Council of the Labour Party at Scarborough next month.

A resolution from the Union of Construction, Allied Trades and Technicians condemns what it describes as an attempt by certain newspapers to influence voting procedures in union elections. It calls on the Government and trade unions to draw up a "stringent" code of practice for the media.

A resolution from Leeds North-East says the "bias against the Labour movement" by Press, radio and television has reached

such proportions as to make it a political issue. It calls for a one-day conference to examine this and "to consider ways we can put forward our views without misrepresentation."

A resolution from Scarborough says the public could be better protected by police with the return of more policemen to the beat.

One from Hull East condemns "the recent failings, fines, attacks and police harassment on pickets involved in industrial disputes."

The Prime Minister and Mr. Ron Hayward, general secretary of the Labour Party, will speak at the conference.

## Blackwell's settlement

BLACKWELL'S, the Oxford booksellers, has agreed to recognise the Transport and General Workers' Union and to re-employ a member who the union claimed was sacked after being demoted. The company says that the man, Mr. Ted Heslin, resigned.

Under the terms of the settlement of the month-long dispute he is to take the job which he turned down before the strike began.

Both sides agreed to a new dispute procedure which allows the union to represent members who have a grievance. The agreement will also allow non-trade unionists with the firm to be represented by a third party if they are in dispute.

Fifty members of the TGWU accepted the terms yesterday and agreed to go back to work today. Blackwell's claimed that business had continued normally during the dispute.

## NEW ISSUE

This announcement is published solely for information.

February 20, 1981

\$50,000,000

# Mexico

(United Mexican States)

## 9½% External Bonds Due March 1, 1981

(Extendible by Holder to March 1, 1991)

The First Boston Corporation

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Swiss Bank Corporation (Overseas)

Kuhn, Loeb &amp; Co.

Deutsche Bank

Union Bank of Switzerland (Securities)

Alahli Bank of Kuwait (K.S.C.)

Algemene Bank Nederland N.V.

Amsterdam-Rotterdam Bank N.V.

Arnhold and S. Bleichroeder, Inc.

Bache Halsey Stuart Inc.

Banca Commerciale Italia

Bank Julius Bär und Co. AG

Banque Arabe et Internationale d'Investissement (B.A.I.)

Banque Bruxelles Lambert S.A.

Banque Nationale de Paris

Bear, Stearns &amp; Co.

Blyth Eastman Dillon &amp; Co.

Commerzbank

Compagnia Finanziaria Interbancaria S.p.A.

Compagnie Luxembourgeoise de Banque S.A.

Crédit Commercial de France

Crédit Lyonnais

Daiwa Securities America Inc.

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Robert Fleming

Goldman, Sachs &amp; Co.

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Kidder, Peabody &amp; Co.

Kleinwort, Benson

Kuwait International Investment Co. s.a.k.

Lazard Frères &amp; Co.

Lehman Brothers

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Loeb, Rhoades &amp; Co.

Merrill Lynch, Pierce, Fenner &amp; Smith

The National Commercial Bank

The Nikko Securities Co.

Nomura Securities International, Inc.

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Shields Model Roland Securities

Skandinaviska Enskilda Banken

Smith Barney, Harris Upham &amp; Co.

Société Générale

Société Générale de Banque S.A.

Svenska Handelsbanken

Trade Development Bank (Nassau Branch)

Verens- und Westbank

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Westdeutsche Landesbank Girozentrale

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Dean Witter &amp; Co.

Yamaichi International (America), Inc.

## INTERIM STATEMENTS



### The EMC Group of Companies

### INTERIM RESULTS

The unaudited figures for the six months ended 31st October, 1975 of Electronic Machine Company Ltd. are as follows:—

	Six Months 31st Oct. 1975	Six Months 31st Oct. 1974	Year Ended 30th Apr. 1975
Group Turnover	791,000	811,000	1,610,000
Profits before Taxation	31,000	98,000	145,958
Estimated Taxation	16,000	51,000	84,880
Extraordinary Items	nil	nil	19,508
Net Profit after all charges, including Taxation	15,000	47,000	41,570
Cost of Dividend	nil	nil	19,910
Amount per share	nil	nil	2.49p

The above figures are after providing for investigation costs for the period and Corporation Tax of £27,500.

On 18th February, 1976, your company reached an amicable settlement of the matters in dispute with Mr. Max Welling, the former Chairman and Managing Director. Under the terms of this settlement Mr. Welling is to pay sums totalling of the order of £200,000 (including the payment of £65,007.40 received in July, 1974).

As a result each party has withdrawn any allegations made against the other and I am pleased that this matter has now been concluded to the satisfaction of your Board as advised by your company's legal advisers.

This sum, which is equivalent to approximately 8.0p per ordinary share, will initially reduce Group Borrowings and will be utilised in the further development of the Group's business. The Board has decided to delay consideration of the payment of a dividend until the results for the year ending 30th April, 1976 are available.

The company continues to trade profitably in line with the plans detailed in the Chairman's statement of last year. New investment projects announced at the Annual General Meeting are proceeding satisfactorily and further news concerning them is anticipated in the very near future.

ELECTRONIC MACHINE COMPANY LIMITED

This advertisement is issued in compliance with the requirements of the Council of the Stock Exchange. It is not an invitation to any person to subscribe for or purchase any securities of Gadok Malaysia Limited.

### GADEK MALAYSIA LIMITED

(Incorporated with limited liability under the Companies Act 1948 and 1967)

## SHARE CAPITAL

Authorised	Issued and fully paid
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In Shares of 10 pence each	

The Council of The Stock Exchange has admitted all the 4,650,764 Shares of 10 pence each of Gadok Malaysia Limited in issue at 23rd February 1978 to the Official List.

Particulars relating to Gadok Malaysia Limited are available in the statistical service of Exel Statistical Services Limited and copies of such particulars may be obtained during usual business hours on any weekday (Saturdays excepted) up to and including 16th March 1978, from:—

de Zoete and Bevan

25 Finsbury Circus,

London EC2M 7EE

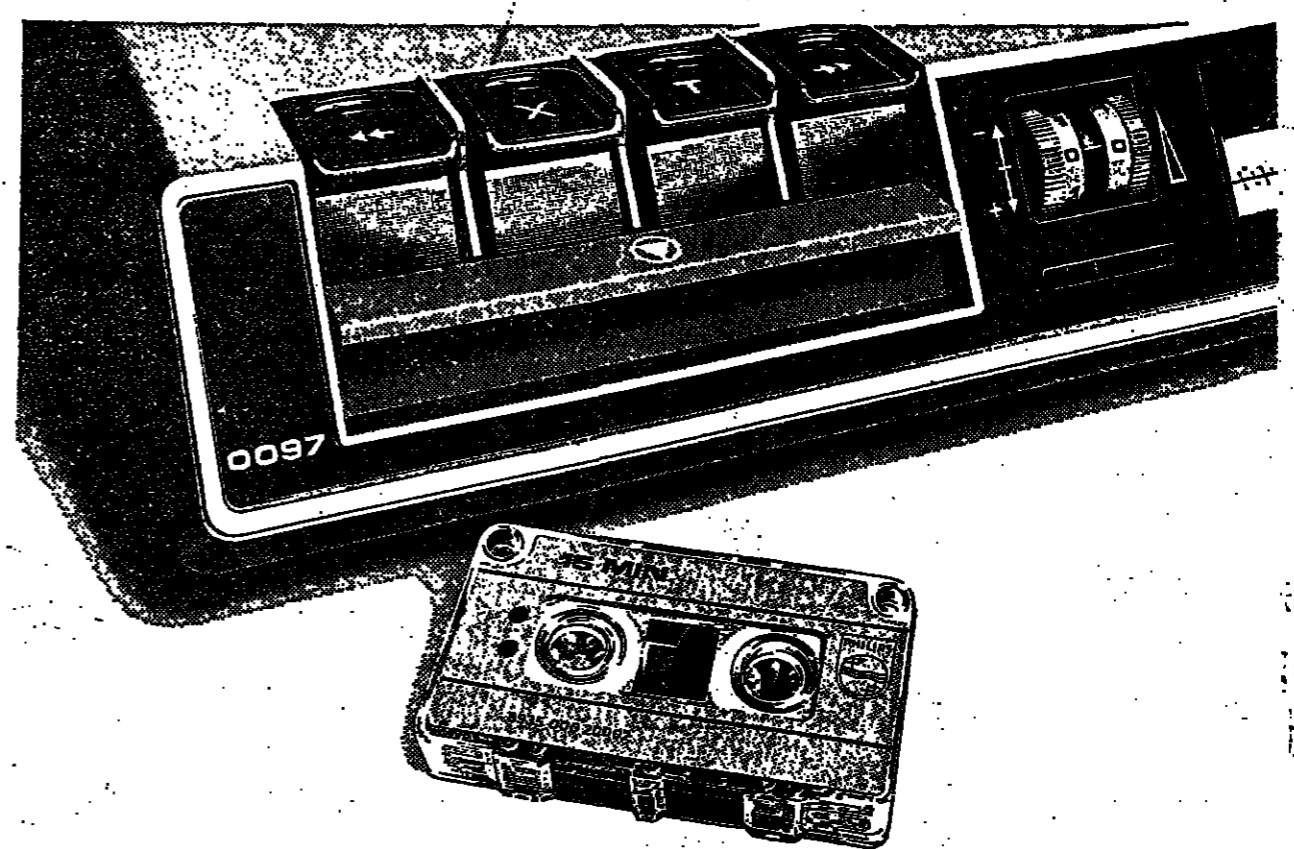
and at The Stock Exchange.

### JOSEPH STOCKS & SONS (HOLDINGS) LTD.

(Provision Merchants and Importers)

An interim ordinary dividend of 4% has been declared, payable on 2nd April, 1976 (4% last year). In the half year ended 30th September, 1975 turnover was £14,431,966 (£11,537,101), and profit £253,865 (£205,727), after depreciation of £33,622 (£26,842).

Trading conditions are still good and the directors expect the annual results will again show improvement, said the Chairman, Mr. D. W. Oxtensfield. The company's cash flow position has improved in spite of rising costs.



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£4 an hour. That's how much it can cost you all the time a secretary spends in your office, taking or waiting for dictation.

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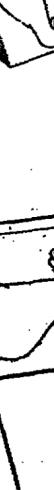
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 **CHRYSLER**  
UNITED KINGDOM

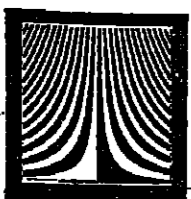
AN INDEPENDENT constitutional court composed of an equal number of Scottish and Welsh judges should be set up to decide the validity of laws passed by the proposed Scottish Assembly, Mr Russell Johnston, leader of the Scottish Liberal Party, suggested yesterday.

The court would have exclusive jurisdiction in all cases where the validity of Scottish legislation was challenged, he said.

Mr Johnston said that the Government proposal to give veto powers to the Westminster Parliament was unacceptable, and the Scottish Liberal Party took the strong view that there should be an independent constitutional court.



**CHRYSLER**  
UNITED KINGDOM



# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## WATCHMAKING

### More new electronic components

LITRONIX have a new series of electronic digital watch modules, introduced specifically for manufacturers in the U.K. and Continental watch industries.

At one end of the range is the three-function LWM6531, which has a four-digit LED display of hours and minutes, with a flashing colon to denote seconds. A single push-button, the contacts of which are incorporated in the module, is required to activate the display.

At the other end of the range the five-function LWM6560 offers a display of hours and minutes, seconds, day of the week and day of the month, and provides contacts for two push-buttons. Hours and minutes are displayed by momentarily pressing the first button, a latch circuit causing the display to persist for up to two seconds. If the button is held depressed the display automatically converts to seconds. The second button provides the alpha-numeric display of the day—SO for Sunday, MO for Monday, etc.—and the date. For this function, nine-segment alpha digits occupy the first two positions of the hours/minutes display.

This unit additionally contains a light-sensing circuit which automatically adjusts the brightness of the display according to ambient light conditions. This facility both improves the display and economises battery power; one year battery life is claimed. The 6000 series is compatible with standard watch cases, and because the modules are designed to be press-fitted into the cases, they do not require special tools. Litronix House, 598, Hitchin Road, Stotsley, Beds. Stotsley 415415.

### Design for the watch market

RCA SOLID STATE has a new circuit to provide on a single chip all the functions for a digital watch using a field-effect liquid-crystal display. It contains a self-

biased input amplifier suitable for use as a 32 768 Hz crystal oscillator, and is provided with outputs to drive a 3½-character, 12½ display, including a colon flashing at 1Hz. A 30 micro-seconds output is provided for use as an input signal to a complete watch or clock circuit. Voltage of -8V from a single silver-oxide cell supplying -1.6V.

Display updating and time setting are actuated by two single-pole/single-throw switches, with input protection against switch bounce for up to 30 milliseconds. Two other circuits of the same family are for use in clocks and watches.

Both circuits are designed to be operated from a standard quartz crystal at very low voltages; the complete watch or clock circuit only requires the device, quartz crystal and trimming capacitors. Current consumption is very low; maximum operating current at a drive voltage of 1.5V is only 100 microamp with no output load. RCA on Sunbury-on-Thames SS611.

## COMPONENTS

### Versatile fuse-switch

UNIT CELL construction in a fuse-switch developed by IMI Stanton enables single and multi-pole units to be offered and tested or unscheduled neutrals to be supplied as an integral part.

Three switching positions, "on", "off" or "test", are included as standard. In the last position the main poles remain open but the auxiliaries are closed so that control circuits inside the cubicle can be tested although the main feed has been isolated.

The fuse carriers, comprising the moving contacts across which the fuse links are carried, can be removed safely without tools when the unit is at "test". The one frame size is available as 30A (20 hp) or 60A (40 hp) by the use of different contact materials.

Intended mainly for use with multi-motor control centres, the fuse switch is complete with cubicle door interlock mechanism, lever type insulated handle, padlocking facilities and an interlock defeat arrangement. Auxiliary switches (24 or more poles) rated at 6A can be fitted to the side of the unit. More from Somerton Works, Newport, Gwent NPT OXU (0633 71711).

## INSTRUMENTS

### Noise meter agreement

INSTRUMENTS for the measurement of industrial noise made by General Radio are to be marketed by Mine Safety Appliances Company, East Shawhead, Cotbridge ML5 4TD (0236 34956).

MSA, which has a long background in industrial safety, will be offering an industrial sound level meter, a dosimeter system and an audiometer.

The instruments will complement MSA's established hearing protection products to offer an integrated range to industry for noise control and protection.

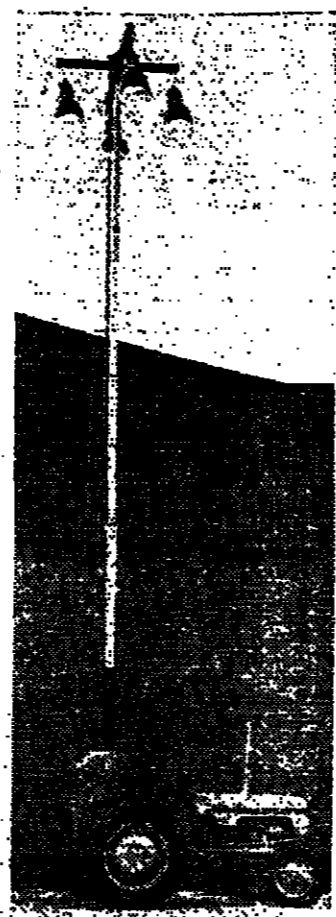
## MATERIALS

### Adhesive for plastic and metal

FAST DRYING, transparent and resistant to migratory plasticisers, a general purpose adhesive, Titebond 106, has been introduced by Bondmaster, a division of National Adhesives and Resins, Galvin Road, Slough, Bucks. SL1 4DF (Slough 29191).

It is stated to have excellent adhesion to flexible pvc, terephthalate film and certain metals. Capable of being brushed or spread, it produces a dry film which is not brittle or discoloured when exposed to ultraviolet light. It can be used as a wet adhesive, or can be dried for subsequent heat sealing, when reactivated at 130 deg.C. The company says bonds have been tested in boiling water (plus 2 per cent Teepol) without failing, and that bonds will resist vibration and shock, and temperatures down to -40 deg.C.

## LIGHTING



ON-SITE lighting where mains are not available, and emergency lighting during power failures, can be provided by the Tractor-Lite introduced by W. E. Burnard, Shoreham Street, Sheffield S1 3PR (0742 24148).

The equipment is mounted on a steel carrying frame and can be fitted to a range of tractors. The 3kVA, 230V single phase generator is driven through a vertical gearbox from the tractor pto. To elevate the 29ft. four-stage mast the hydraulic system of the tractor is used, controlled from the driving position. The mast carries either four 700W mercury lamps or four 1000 W tungsten halogen lamps. The standard fitting mercury lamps have a life of about 5000 hours with a lumen rating of 33,000 per lamp. When lighting is not required the generator can be used as a mobile stand-by power unit, and a socket is provided to take the supply to a distribution board.

## AUTOMATION

### Copies dies and moulds

AN AUTOMATIC hydraulically operated machine for copying dies and moulds from a same-size master, the Alexander 4HBS Hydraulic Diesinker, has been introduced by Precision Grinding, Mill Green Road, Mitcham Junction, CR4 4TX (01-648 9461).

The operator can select any of three methods of cutting, and can switch from one to another. There is an automatic control for desinking, a semi-automatic control for rapid profiling and a manual stylus control — requiring only finger-tip pressure — for hand-profiling and picking out sharp corners. The combined sliding head and table movements of the machine give a total coverage of 16 x 24 inches.

## CIVIL AVIATION

### Avoiding terrain hazards

SOME TIME soon, British Airways, in common with other U.K. airlines, is expected to announce a decision on which brand of a new safety instrument to buy for installation in all its aircraft.

The instrument is called a Ground Proximity Warning System (GPWS)—a device which gives the pilot on the High deck a loud verbal warning to "Pull Up" or "Climb" whenever his aircraft is approaching high ground or some other dangerous in-flight situation.

The U.K. Civil Aviation Authority intends to make the installation of instruments of this nature mandatory, with January 1, 1977, as the target date for installation of GPWS in turbo-jet airliners, and July 1, 1977, as the target for other types of aircraft over 15,000 kg in all-up weight or carrying more than 30 people. In effect, this mandatory requirement will cover more than 400 airliners of all kinds on the U.K. Civil

Aircraft Register, including the BA fleet of some 200 aircraft of various kinds, and those of other airlines.

The U.S. Federal Aviation Administration is also planning to make the introduction of GPWS mandatory, covering some 2,400 aircraft, and many other countries are expected to follow suit.

Analysis of aircraft accident statistics shows that of the 745 passenger deaths in 1974, a total of 510, or 68.3 per cent, were the result of situations which perhaps could have been avoided if GPWS had been operational in the aircraft involved.

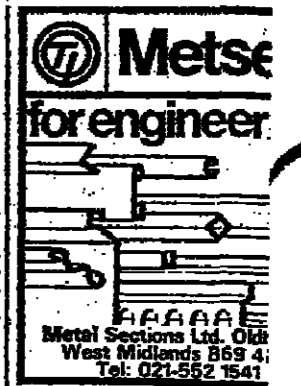
Several companies are involved in developing equipment to meet the requirements. In the U.K., Plessey Aerospace has already successfully tested a system installed in an HS-748 airliner from the Royal Aircraft Establishment, Bedford.

Other companies involved in what could become an intensely competitive situation to win the

equipment orders worth several millions of pounds world-wide in the years ahead, include Sundstrand, Bendix and Collins in the U.S. The cost of an individual equipment is about £2,000, but in addition there is the installation cost.

The heart of the Plessey system is a small but extremely powerful digital computer known as Miproc, made by Plessey Microsystems, which is claimed to have distinct advantages over analogue systems used by the U.S. equipments, including accuracy of control, rapid action and ease of maintenance.

The computer receives information from the radar/radio altimeter, the landing gear, flap selectors, instrument landing system (ILS) glideslope/localiser receivers, and the barometric altimeter in the aircraft, or its air data computer. All of this collectively tells the computer systems that the aircraft is approaching a dangerous terrain situation—



Metsec for engineer

One of the special features of this type of instrument is the need to avoid "false warnings," and to ensure confidence in it on the part of the pilots that they are not misled by the warning receivers. Much attention therefore has been paid by the manufacturers to ensure that the computer systems are fully reliable in a dangerous terrain situation.

MICHAEL

## DATA PROCESSING

### Compact reader

A THREE-quarter size COM file reader NMI 75 made by Northwest Microfilm is now available in the U.K. from Scottish Instruments, Edgware Road, Colindale, London NW9 0L9 (01-852 7527).

Giving an image at about three-quarters computer page size, the reader also features two light levels (giving 2000 hours lamp life at the normal lower setting), drop-in interchangeable lenses, single or dual fiche carriers, and a built-in carrying handle and flex storage.

The desk area occupied by the unit is only 85 sq. ins., which is claimed to be a saving of over 50 per cent compared with most three-quarter screen COM readers.

### H-P sales terminals

TWELVE HP 3000 Mini Data Centres are to be installed in Makro stores in Britain this year, as part of a £3m. order for 42 of them throughout Europe. Makro, an international wholesale cash-and-carry organisation with stores in Europe, South Africa and Brazil, is extending its relationship with Hewlett-Packard by replacing the HP-2100 systems in its European stores by 21 dual HP-3000 systems for point-of-sale invoicing.

With the new units, Makro clerks will be constantly updating the store's data base as they are preparing customer invoices from terminals at check-out stands. As many as 30 check-out stands can be active at the same time in each store. From each terminal there is instant

access to the data base of product, price and customer information.

As goods are checked out, the units produce a full customer invoice while simultaneously logging transaction data for transmission to a data centre. Hewlett-Packard, King Street Lane, Wetherham, Wokingham, Berks. Wokingham 784774.

### Improving larger minis

SEMICONDUCTOR memory with a capacity of 16K 16-bit words which is a plug-in replacement for core storage cards in all DEC PDP-11 computers has been announced by the Memory Systems Division of Intel. An 18-bit word version can be supplied on special order.

The new memory card employs Intel access memories and is known as the "in-4711". It is complete with all the necessary refresh and control circuitry. Power conversion can be achieved with a separate converter card which has the capacity to drive four in-4711s. Maximum power consumption is less than 30W (less than half of the power consumed by the equivalent core store), enabling a wider tolerance on power supply specifications; and a cooler-running system. Read and write cycle times of 520 nanoseconds allow a significant increase in speed and, for maximum throughput, interleaved operation with two memories is possible.

## TELEVISION

### Wire-less sound from TV set

FACILITIES for listening to television sound via headphones (thus leaving undisturbed the non-viewers in the room) are seldom provided on U.K. receivers and are usually a retrofitted item involving trailing wires.

But the use of quality head phones is increasing, particularly in "hi-fi" circles, and in Germany has now found favour in TV sets.

Normende, West Germany, has decided to offer sets in the U.K. through Vision and Radio. The uses an infra-red transmitter, the front of the receiver, emits a fairly wide beam up to a height of 10 ft. powered by a small re-chargeable battery. The transmitter to use an infra-red diode with a sub-carrier of 1 MHz which is itself frequency modulated with the TV sound. The reverse process takes place in the headband of the U.K. sets bound to be available since it puts the price of Normende sets in "hi-fi" circles, and in Germany has now found favour in TV sets.

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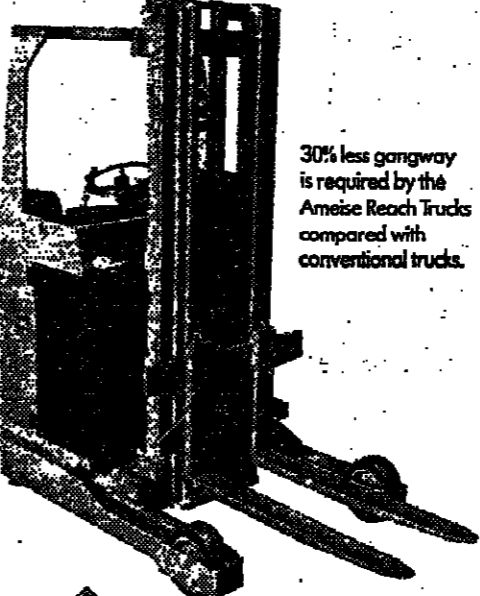
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هذا امر الفصل

## FINANCIAL TIMES SURVEY

Tuesday February 24 1976

## HYPERMARKETS

The number of true hypermarkets in this country has been brought to four with the opening of a new one near Manchester. Controversy over these stores has been based on mistakes made abroad and fear of the likely damage they will cause to existing shopping centres.

And now  
there  
are  
four

THE OPENING of the Tesco hypermarket at Irlam is a landmark in retail development in the U.K. It is Tesco's first genuine hypermarket as such, and with 76,000 square feet of selling area it is comfortably the biggest hypermarket opened in the U.K. to date—leading Carrefour's Caerphilly operation by around 10,000 square feet of selling area, a difference which is bigger than the size of many town centre retailers.

But without wishing to take anything away from Tesco, the way that the hypermarket debate has all along been conducted with size being banded about has probably been, on balance, harmful. The debate has tended to be conducted as though size were an end in itself with a tendency for the majority to think of bigness as a badness. A greater service would have been rendered to retailers and the shopping public if right from the start centre stores and an edge-of-town store both serving the same community: of the big factor to a price war.

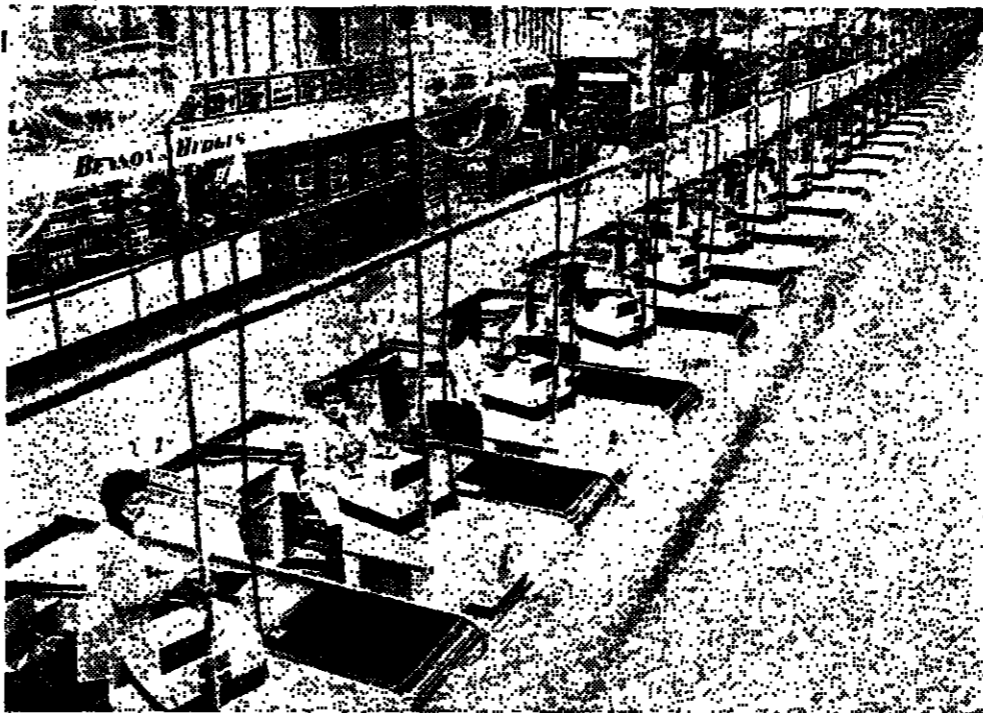
been regarded for what it really is: a quite new retailing concept aimed at adapting different methods to the different economic, social and environmental conditions of the modern world.

Although hypermarkets when they are built stand physically alone they are in fact part of a trend in retailing which affects town-centre shopping quite as much as out-of-town shopping—although town-centre effects are more gradual and more widely spread than the more controversial out-of-town developments. There can be no denying that the inexorable reduction in the number of small shopping units in the high street are the product of the same factors which are prompting the retail trade to promote big stores. Indeed it is these sort of considerations which are prompting big retail chains such as Tesco, Sainsbury, Boots, Debenhams and so on to develop out-of-town or edge-of-town stores in tandem with their continuing programme of redevelopment of town-centre stores.

An important part of the debate centres on this willingness to have both. Hypermarkets are almost universally opposed by existing local retail interests U.S. and in France there have been examples of saturation coverage with, perhaps, three hypermarkets competing to serve an area which could support one. The inevitable result is that none is a viable proposition, and in the U.S. this was a contributory factor to a price war.

## Opposition

As compared with the U.S., Germany and France, the development of hypermarkets and superstores in the U.K. has been slow, and a number of factors have contributed to this. Already mentioned is the pretty universal opposition from entrenched retail interests, and this is backed up by the mistakes made in the relatively uncontrolled development of these big stores in other countries, which everyone wants to avoid here. Uncontrolled development has allowed both serious environmental damage with ugly stores spoiling otherwise pleasant locations, and trading damage. In both the U.S. and in France there have been examples of saturation coverage with, perhaps, three hypermarkets competing to serve an area which could support one. The inevitable result is that none is a viable proposition, and in the U.S. this was a contributory factor to a price war.



Ready for the off: 37 new Sweda "500" electronic terminals, each on-line with a mini-computer, at the Carrefour Eastleigh hypermarket.

An all-out price war is quite convenient store as the fastest development of more than 50,000 square feet in selling area was to be automatically called in by the Department of the Environment for scrutiny. The official line is that each application is treated on its own merits and that there is no pre-disposition towards refusing planning applications. The retailers involved, however, dispute this quite strongly, and such facts and figures as there are seem to back them up. By April of last year the DOE inspectors had reached decisions on only 10 planning applications on hypermarkets and superstores and only three had been approved—one an Asda superstore and the other two genuine hypermarkets. Irlam is only the fourth hypermarket as such—the other three being run by Carrefour.

with cheaper rental and rate bills are cheaper to run than stores in the middle of town. The economies are such that a hypermarket can undercut even an efficient high street trader by upwards of 7½ per cent. on prices. A hypermarket will carry up to 25,000 different product lines, and will probably attract ancillary operations such as a petrol station and car wash, making the possibility of one-stop shopping a reality. In spite of soaring petrol costs, price-attractiveness has been proved to work, and people will travel long distances—half an hour's drive is a fair rule-of-thumb estimate—to do the bulk of two weeks, or even a month's shopping. This is in contrast to the attractions of town centre shopping, where convenience and variety are the main considerations.

## Definition

The whole question tends to get bogged down slightly by arguments over definition. Hypermarkets, for example, should according to some definitions be not less than 50,000 square feet of sales area on a single trading floor with a certain ratio of car parking space to sales area. Superstores on the other hand can trade from more than one floor and need not necessarily be in a green field site.

In some cases these definitions can be important; for example, the economies of in-store distribution greatly favour trading from a single floor, with the installation of lifts and so forth to serve additional floors adding greatly to running expenses. But there has been a tendency for definitional differences to cloud the essential issues at stake—which are really those of efficiency.

In a nutshell, big stores are cheaper to run than small stores, and sores in off-centre locations

Early fears that hypermarkets and superstores would destroy town centre shopping do not seem to have materialised. Some stores have suffered loss of trade as a result of a new hypermarket, but this has seldom proved to be a fatal blow. Such analyses as have been done tend to suggest that many areas of the country are undershopped—resulting in traffic congestion, parking problems, and over-congestion in the retail outlets themselves. Carefully controlled development therefore can only be of benefit in the long term, but perhaps a slightly less cautious approach is needed than has been the case so far.

Sandy McLachlan

TESCO

WHEN THE DOORS of our new Irlam store open this morning it will mark the end of a three year investment in forward planning by our Company. The problems posed in the development have been intimidating, the statistics involved formidable—a gross area of 102,000 square feet, parking for 980 cars, the provision of more than 30,000 different items, an investment of more than £3,000,000.

For TESCO, however, there is more to the completion of Irlam than mere statistics. Much more. It is now some fifty-six years since Sir John Cohen first began trading from a stall out of London's East End and the past five decades of our history have reflected the manifold changes that have transformed the entire retail industry—from an operation largely dominated by small, single units through the growth of self-service stores to the present superstores and regional shopping centres.

Inevitably, this quiet revolution has attracted its critics and we, at TESCO's, certainly sympathise with many of their deeply-held views. Nonetheless, the retail industry cannot remain static; cannot become frozen in an attitude of the past, especially when it is remembered that consumer expenditure now accounts for 70 per cent of Britain's G.N.P. and that the food and clothing industries alone make up more than a quarter of this total, handling a turnover of some £14,000 million a year.

This is a considerable responsibility and

doubly so at a time when inflation is a major national concern; when we are being asked by Government to "give a year" for Britain. TESCO, and I believe, that I speak on behalf of all our partners in the retail industry, fully support this Government initiative but find it a little ironic that we are prevented from making our full contribution to this anti-inflation "package" exactly because of the lack of a clear-cut Government policy towards retailing itself.

By which I mean? Simply that the ambivalence of successive Governments to the role that they wish the retail industry to play does little to assist the retailer to perform with maximum efficiency, minimum wastage; that a lack of effective direction has a serious ripple effect reaching down through local planning authorities and the industry to those who we both meant to serve—the consumer.

Much has been heard in the past two years of the possibility of cutting the price of the housewife's shopping basket by up to ten percent. This is not an economic illusion, it is a fact and, personally, I believe that it would be possible to improve on this target if retailers were given a clear indication as to how the industry should develop into the future.

The alternative, of continuing planning indecision leading to the emergence of a veritable sub-industry of public enquiries and appeals and the consequent delay in retail development plans, can only add to price inflation.

tion. And let there be no doubt—whether as taxpayers or as consumers, it is the public who have to foot the bills for such ambiguities.

As I see it, therefore, there is an established need to open a constructive dialogue between central government, local authorities, and the retail trade to produce an agreed strategy to meet Britain's future shopping needs. It is for this reason that I welcome the recent talks between Whitehall and our own industry; an initiative which can do much to resolve the problems of the future, to the benefit of the public we all serve.

Which, ultimately, is what Irlam is all about—providing an efficient and cost-effective service to some three million people living in the Greater Manchester area. Thus, it gives me great pleasure to thank all those concerned with this venture (the district and sub-regional planning authorities, the architects and contractors and suppliers and many more) for making a success of what was, until so recently, merely a TESCO ambition to provide the people of Greater Manchester with the type of service that they demand—and require.

Leslie Poulton

24 February 1976

CHAIRMAN

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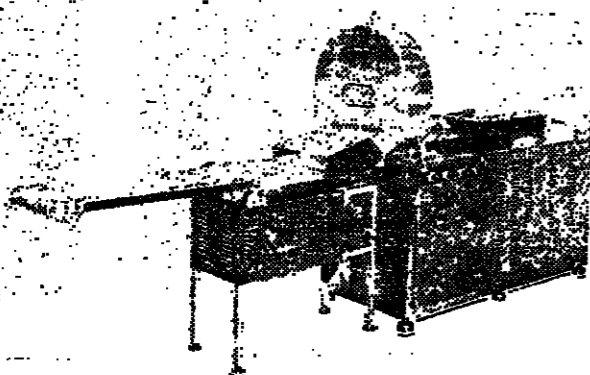
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## HYPERMARKETS II

# The international background

HYPERMARKETS AND superstores were developed in the U.S. and on the Continent well before they made their first appearance on any scale in the U.K. So it is hardly surprising that the record and impact of such stores overseas was a major theme of the heated debate which preceded the first openings in the U.K. and which has continued subsequently.

Overseas comparisons have, however, only been a limited guide to the experience in any particular country because of, for example, differences in the traditional retailing pattern, local and central Government regulations, and regional variations. In each country in which hypermarkets and superstores have been developed they have taken on a different character and indeed each operator has his own particular approach, as is shown clearly in the U.K.

The out-of-town or edge-of-town superstore concept first gained ground in the U.S. as an extension of supermarkets, which had again made their first foothold across the Atlantic. The pressures of increasing store size—the average selling area of new supermarkets in the U.S. rose from 11,700 to 17,000 square feet between 1956 and 1971—a rapid growth of suburbs, a rise in the number of passenger cars of 44 per cent. in the 1960s coupled with increasing competition among retailers led to the development of superstores in the U.S.

## Influences

The particular way in which superstores developed in the U.S.—and especially the steady deterioration in town centre and "High Street" shopping facilities—reflects a number of local influences not present to nearly such an extent in Europe. The space available for development, the much greater degree of car ownership, laxer planning controls and the underlying population movement away from the centre of cities all explain the uninhibited spread of superstores in the U.S. and some of their all-too-apparent deficiencies. Apprehensions based on U.S.—and to a lesser extent Continental—experience explain some of the thinking behind the first Development Control Notes in the U.K.

From the British point of view, the parallels with the Continent—and in particular France and Germany—tend to be more relevant, partly because planning controls have become tighter in Europe while there is a more limited underlying decline in population in the town and city centres. The main interest has focused on the impact of the opening of superstores on nearby shopping facilities.

A survey of the effects on a number of German cities, where superstores really started expanding in the late-1960s, showed that despite the growth of motor traffic and congestion, town centres had not lost their allure. Indeed, the evidence was that the superstores had essentially been taking some of the extra turnover, not existing sales, apart from the initial impact.

A much more detailed study of the effects of hypermarkets on town centre trade was carried out by MPC and Associates of Worcester in France—covering the effect on trade in a town of 130,000 people caused by the opening of three hypermarkets in the surrounding district with a total selling area of 160,000 square feet.

The biggest impact was on supermarkets of over 4,000 square feet where sales fell by between 18 and 30 per cent. while there was a drop of 13 to 27 per cent. for other self-service grocers, a decline of 8 to 25 per cent. for the cheaper type of variety stores and a 1 to 5 per cent. fall for the independent grocers, but little change for comparison shops such as shoe and furniture outlets and for department stores.

This can, of course, be viewed as rather an extreme example, since there is no case yet in the U.K. of a town of the size of the one chosen being surrounded by three hypermarkets: there are now two superstores outside only two sizeable towns in north-west England. This reflects both the caution of planners in the U.K. and the more entrenched position of High Street trading in Britain compared with France. Moreover, the most recent evidence suggests that where three hypermarkets are trading near each other one of the main impacts may be on each other's sales.

In a less extreme example of

where there is only one superstore outside an established shopping area, the evidence suggests that there is a remarkable similarity of experience between say, France and the U.K. This was noted particularly in the study by Donaldsons, the chartered surveyors, into the impact of the opening of the Carrefour store in Caerphilly; this has been similar in a number of respects to those shown in the various examinations of the effect of hypermarket openings in France. The Donaldsons study concluded that there had not been a catastrophic decline in established shopping centres but rather a series of subtle changes with the hypermarket forming a complementary yet specialist contribution to shopping facilities.

## Control

By proceeding slowly and steadily, the British authorities, both at local and central Government level, do appear to have drawn one of the main conclusions from the U.S. and Continental experience—namely that it is too rapid a rate of unselective expansion which seriously damages existing centres. A number of the leading superstore developers within the U.K., of course, argue that the planning control is still far too tight and that granting permission to a few more stores will not drastically alter the present retailing balance.

Certainly the number of superstores in the U.K. at present is small by comparison with France or Germany. But it is interesting that the same local interests and existing retailer groups which have argued against the development of superstores in the U.K. have been having increasing success in slowing down the number of new openings on the Continent.

In France, for example, a generally accepted forecast of only two years ago that 600 hypermarkets would be open by 1980 now looks like being a wild over estimate with about 400 units now regarded as a more realistic target. A combination of the Loi Royer (restricting new development), the recession, rising building costs and the number of existing hypermarkets have resulted in a sharp reduction in the number of new openings.

After the record total of 61 openings in 1972, the figure fell to 51 in 1973, 32 in 1974 and an estimated 18 last year for a current total of roughly 300. Moreover, there are increasing warnings about competition between hypermarkets, with signs of saturation and fewer and fewer good sites becoming available. One estimate in Eurofood suggests that last autumn a total of 100 hypermarkets were operating at no better than break even, while three years ago most new units made a profit within 12 months of opening, two out of three such stores to-day apparently have to wait two years or more before moving out of the red. Since the controls have always been much tighter in Britain there is no danger of saturation here yet, no rise at all likely in the foreseeable future.

While the innovations in the U.S. and on the Continent undoubtedly acted as a spur to the development of superstores in the U.K.—as did the participation of Carrefour, France's leading operator—there has been no rigid imitation. One difference, for example, is that French hypermarkets are much more like cash and carry warehouses whereas superstores in Britain can be more appropriately regarded as closer to supermarkets or variety stores.

Peter Riddell

# Impact on other shopping centres

Government, which must approve all applications for sites in excess of 50,000 square feet, may be influenced by the evidence which suggests that superstores and hypermarkets do not ruin the traditional shopping pattern in a community. This bears out research carried out on the Continent, which has lived with hypermarkets for many years, by MPC and Associates, which suggests that usually only a half of the big stores turnover comes from the local town while the remainder comes from the hinterland.

There have, of course, been surveys carried out in the U.K., in particular to measure the impact of Carrefour's first U.K. hypermarket, which opened on the edge of Caerphilly in the autumn of 1972. Donaldsons, which acted as consultants to Hypermarket Holdings, part owner of Carrefour at Caerphilly, has now conducted two investigations into its effect.

## Decline

They first looked at the impact on six neighbouring shopping centres. It showed that in five there had been a slight decline in shoppers spending in the first year after the appearance of Carrefour, and this fall was concentrated on food shopping. But the reduction was very small because it was dispersed and because some of the money spent at the Carrefour—£7.5m. in the first year—also came from as far away as Cardiff.

On the other hand Caerphilly town centre, only a mile away, suffered a greater setback. Just how badly it was hit by the hypermarket was revealed in the next Donaldsons survey which was published in March 1975. This revealed that the number of food shops had fallen from

30 to 12. On the other hand four new shops have opened. The general conclusion was that the hypermarket complements existing local stores, apart from food shops in the immediate vicinity.

In the second year Carrefour sales rose to £9.4m. But the novelty had obviously worn off a little in the neighbourhood. There was a decline in the number of shoppers prepared to drive 20 minutes to reach the store, which was compensated for by the increase in those driving for 10 minutes or less. The importance of food was stressed by the survey—out of an average spend of £9.40, £3 went on food—a proportion borne out by Carrefour's chief competitor in the large store league, Asda, which reckons that almost 80 per cent. of its sales is in food-stuffs.

Another survey into Caerphilly, by the Retail Outlets Research Unit at Manchester Business School, basically confirms the Donaldsons findings. It suggests that the Co-op was the main loser from the emergence of the hypermarket, followed by the multiples, and finally the independents. This report produced the extraordinary finding that all but 5 per cent. of the Caerphilly residents had visited the Carrefour, although 20 per cent. of those over 60 had not done so. It also suggested that prices in the hypermarket were 11.3 per cent. cheaper in a shopping basket of branded goods, although this was reduced to 8 per cent. when the local competition followed suit in cutting prices.

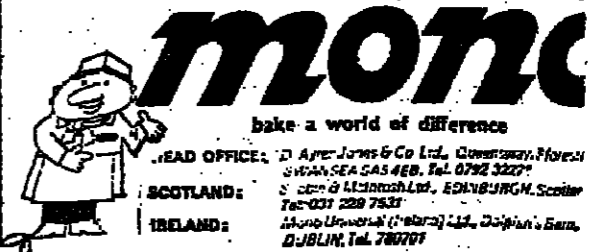
Although the basic findings from Caerphilly have been reproduced in later studies—that hypermarkets and superstores draw their business from a wide area and offer most competition in groceries—it must be stressed that Caerphilly is

CONTINUED ON NEXT PAGE



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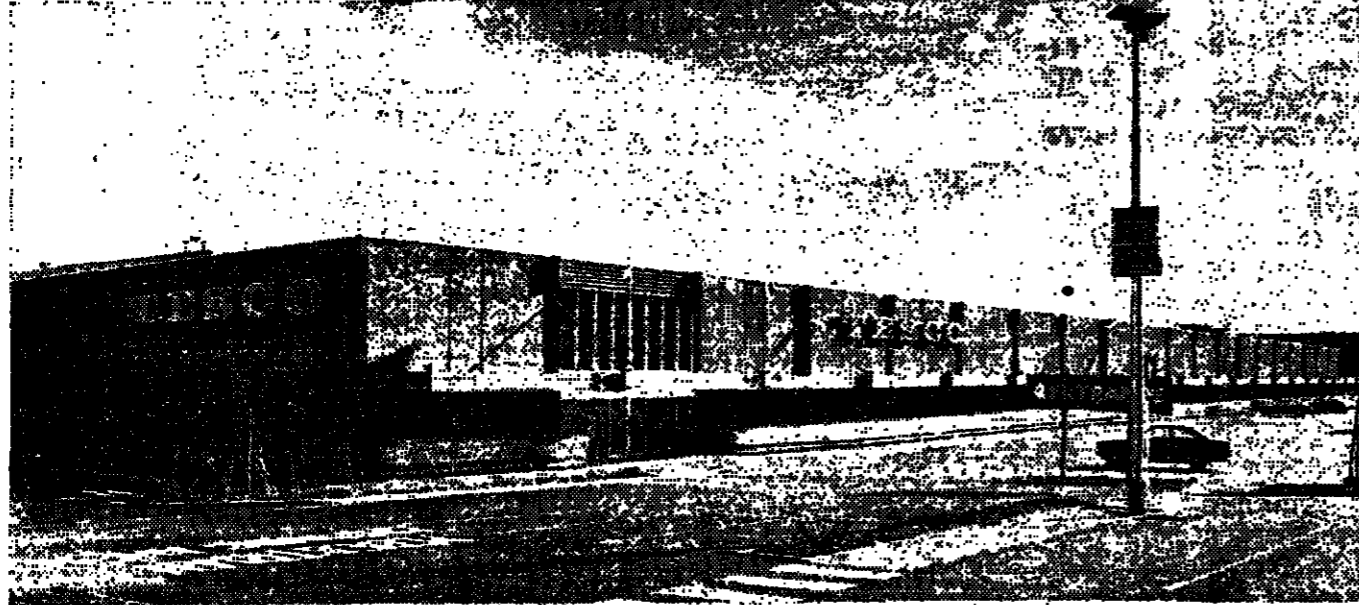
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## HYPERMARKETS III

## Complications of planning control

IN THE complicated relations between retailers and planners over the building of hypermarkets in Britain, there are broadly three different battles being fought in a long-running war.

One is with central government, which has often seemed in two minds about the desirability of having hypermarkets at all, even if the local environment and local traders seemed protected. The second is with local authorities, often three or four of which might be involved, given the wide catchment areas of such superstores. And the third is a planning battle in a slightly different sense, involving the ability of wholesale cash-and-carry warehouses to operate under a different section of the Town and Country Planning Act. This last affects some pure planning decisions, such as where a whole area is zoned for industrial rather than retail use, and has also developed into an internecine struggle between the two types of business.

The three areas frequently overlap. For instance the Department of the Environment often stresses what might be thought to be very local considerations which could be left to local authorities. But there are usually further complications. In rejecting the latest application for a superstore in North Yorkshire, for instance, what was stressed was that trade in the historic town centre of Richmond must be protected. The Department is the majority of the shops were in buildings listed as being of architectural interest and that reduced venue would make it difficult to maintain the upkeep of the premises.

The lead, clearly, has to come from the top. Since February 72, this has been expressed in the Development Note Planning Control No. 3 when the Secretary of State "asked to see" all applications for 50,000 sq. ft. of selling area or more. This was not the type of store Tesco intended, but building started all the same, partly in the hope that further extensions

## Evidence

Those concerned — ASDA, Carrefour, Tesco, the Co-op, Sainsbury and British Home Stores — feel that some progress has been made in a series of meetings with officials to suggest that the case for hypermarkets is getting across, particularly in the evidence which can be presented about cutting prices.

One of these, Tesco, has also produced a booklet by its managing director, Ian MacLaurine, on *The Retail Trade and the Planned Environment* which includes the words that it can be "theoretically substantiated that successive governments have wanted to 'have their cake and eat it'".

Tesco has certainly had its frustrations, its longest public inquiry wrangle concerning a Welsh project, Fforestfach, where the costs of appeal exceeded the costs of acquiring the site, and at the end of the six-year battle permission was granted for only 15,000 sq. ft. This was not the type of store Tesco intended, but building started all the same, partly in the hope that further extensions

would be allowed once the store had proved itself a local benefit. That method of doing things piecemeal will, however, vastly add to costs.

At the central government level, the retailer-developer of hypermarkets has a further complication in the Community Land Act and the different development taxes. To quote what looks an extreme case, again from Tesco: it was involved in planning a scheme where, as part of the local authorities' gain, Tesco would provide a free car park for it. But the company's tax advisers then upset calculations by their opinion that there would be first lettings tax to pay on the car park.

The local authority problems may be best summed up, on the evidence of the geographical spread of hypermarkets, with the generalisation that "There is a different planning law north of Birmingham." It cannot be simply that the Northern cities tend to have more "waste land," of no particular attraction or Green Belt status for environmentalists to protect. There does seem to be a greater willingness among Northern councillors to appreciate the cost savings which can come from hypermarkets. In the South, there may occasionally also be stronger local trading interests which are influential enough to block schemes if they feel their high street business is threatened.

The dividing line of Birmingham also happens to be the centre now of a case where the immediate local authority disagrees with its over-riding authority, the West Midlands. The case involved is a proposed ASDA superstore to be built on Aston Villa Football Club's car park, with ASDA providing the local council with a free sports centre. The West Midlands, which is considering its strategy for retailing in the area, will be considering the matter again next month.

The third difficulty, involving cash-and-carries, centres around the impact on the Development Policy Control Note 14, sent out last year, which appears to specify that cash-and-carry type operations cannot be classified as warehousing. This has long been the hypermarket operators' contention. They also claim that many supposedly wholesale operations are in fact retailing to the general public and abusing the card system. The advantage enjoyed by the cash-and-carries has been in operating under Class 10 of the Town and Country Planning Uses Order. Areas of South London where retailers claim to have identified ideal sites for hypermarkets are among those zoned only for industrial use, thus ruling out Class 1 retail users.

## Wholesale

Even given this "ancillary" provision, the appeal went on to define wholesaling and to say that the "selling of goods to the general public in larger quantities than are usual in a retail shop, or at a discount, would not bring such sales within the term 'wholesale'."

This would seem to pose an increasing threat to cash-and-carry operations, but it is clear that central government will, on this and other planning problems, come under increased pressure this year to specify what type of large retail units it wishes to see built in the rest of the decade. With the lack of new town centre developments for retailers to enter with large units, many are looking to become their own developers which, normally, will mean building big.

Quentin Guirham



Stacking food items in the new Tesco hypermarket at Irlam.

## Impact

CONTINUED FROM PREVIOUS PAGE

not really a typical hypermarket. It is too close to the existing shopping centre and is also smaller, with just 55,000 square feet of selling space. It does have brought trade to the centre, however, that a superstore brings down prices locally so that even those who do not bother to negotiate the vast emporium still benefit from its long shadow.

More recent evidence is provided by a most impartial source—Eastleigh District Council, which has the Carrefour at Chandlers Ford two miles away from its own shopping centre. When applying for planning permission Carrefour forecast a £5m. turnover (at 1970 prices), of which 60-65 per cent. would be in food. It also expected to draw 35 per cent. of its trade from Eastleigh and the Chandlers Ford area.

In the event, turnover in the first year from the summer of 1974 was £5.8m., of which 70 per cent. was food, but only 21 per cent. of the custom came from the immediate neighbourhood. The Council reports that the impact on its town shopping centre has been negligible (as with a major retail shop in the

area against a predicted decline of 20-25 per cent.) and the shoppers have been superstores extending their space in the centre of the city while the smaller retail shops in the Forum Centre, at North Hykeham, just outside Lincoln, have gained trade since the emergence of the Asda Superstore.

The major grocery groups are committed to superstores because only through their size is also confident that a superstore can be a stimulant rather than a depressant. It opened a 40,000 square foot store outside of Aberdeen in 1970 and has since extended its city centre shop. In a high growth area like Aberdeen, peripheral development can ease congestion in the traditional shopping areas, and improve both the quality (and the quantity) of trading there.

The many studies into hypermarkets and superstores seem to agree that they do have an impact on the existing shopping structure. In particular they affect food sales through superstores cutting all round and a general benefit to shoppers. The specialist stores are much less affected.

Antony Thorncroft

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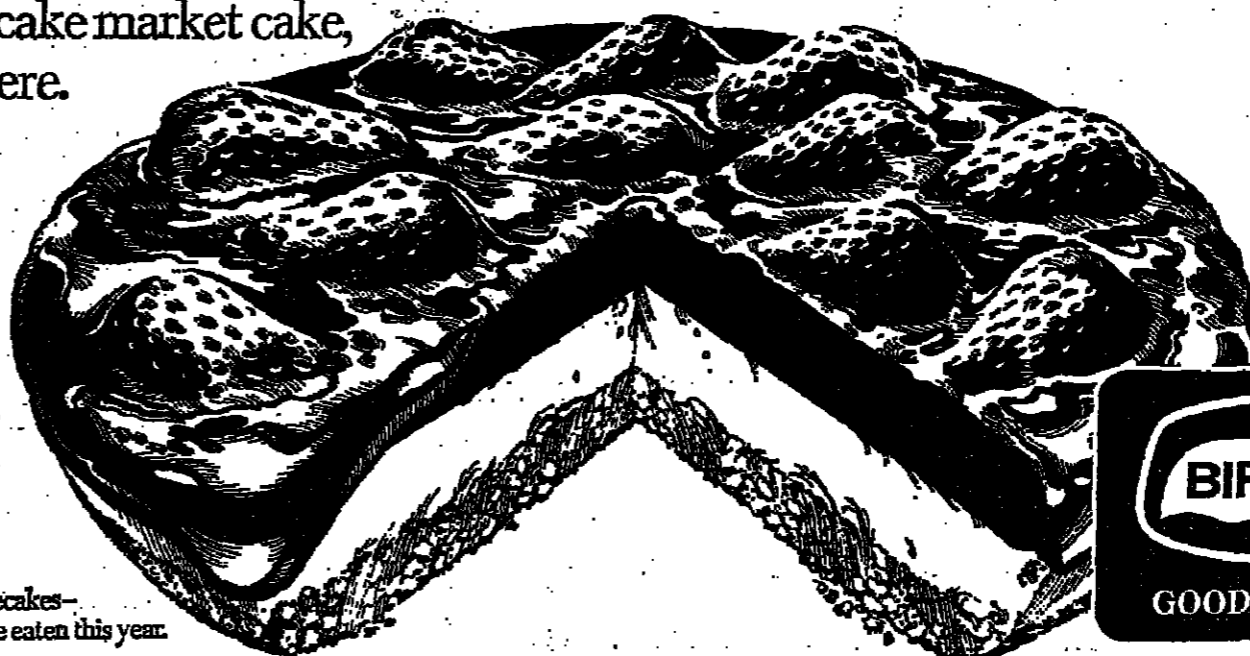
As are Birds Eye Cheesecakes—natural cream, blackcurrant and strawberry—though they were only

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A nice part though. Just like they make up a nice part in the new Tesco hypermarket, opening at Irlam today.



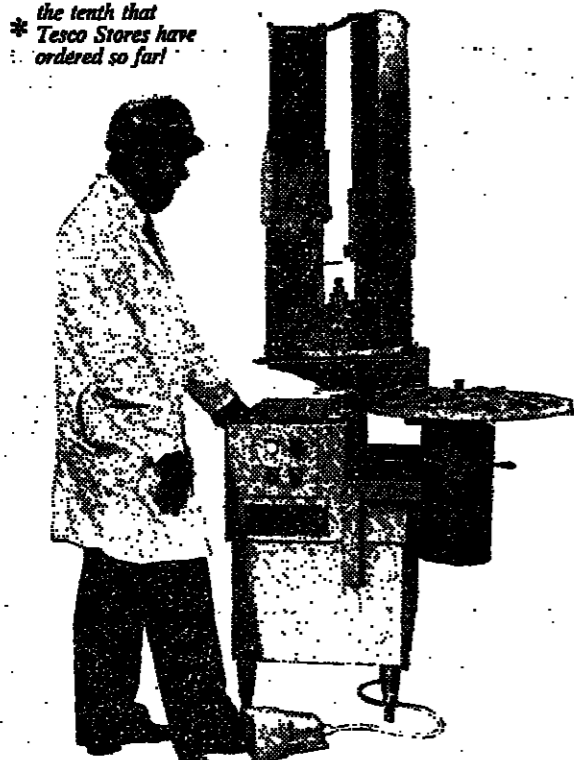
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## HYPERMARKETS IV

## Seeking the optimum size

BY COMPARISON with some of the vast French hypermarkets, Tesco's new store at Irlam is only in the second division of retailing developments. In terms of British stores, however, it can, for the time being at least, claim the crown of being Britain's largest hypermarket. Standing in a 10.5-acre site outside Manchester with a sales area of 73,000 square feet, Irlam is 3,000 square feet larger than any other store currently trading on one floor in this country—almost as large, indeed, as Tesco pointed out in its pre-opening publicity, as the nearby Old Trafford football pitch, which must be a pretty daunting thought to all but the fittest shoppers.

But in a market where economies of scale are increasingly being seen as the only answer to rising overheads, Irlam is not likely to retain the title of Britain's largest store for long. All the major superstore operators have applications pending for stores of around this size, while Carrefour is hoping to build a store with a sales area of 90,000 sq. ft. outside Bristol. Even before opening the doors of Irlam to customers, Tesco, which by comparison with established superstore operators like Asda and Carrefour is still a newcomer to the market, was saying that it would like to build a bigger store and was talking almost wistfully about the kind of operation it could offer consumers with a sales area of 100,000 square feet. Even at Irlam, the company says, it has not been able to sell its full range of non-food products.

But while the British companies may talk enthusiastically about the merits of still larger stores, it seems likely that it will be some time to start emulating the French and start covering the green fields with stores of 200,000 square feet upward. And it will not only be the planning authorities who put a stop to such developments. There is a feeling

that the "biggest is best" philosophy has gone too far in France even given the different shopping patterns which already existed there, and that shoppers find the prospect of walking around such large stores too daunting. Moreover, unlike the French, who have little tradition of High Street shopping, the British operators, as they continually point out to the planning authorities, are not trying to offer shoppers a complete alternative to the High Street.

## Customers

As Asda sees it, superstores in this country should concentrate on "convenience" shopping, offering customers all the items they buy regularly, like food and utility clothing, rather than competing with the High Street and trying to sell items, like high fashion clothing and jewellery, which require an element of comparison shopping. Asda itself usually stocks around 27,000 lines and while other superstore operators, like Tesco, may go further into non-food lines, all agree that high fashion items are a dangerous commodity, best left to the specialist operator. The problem is treading the fine line between offering consumers the facility of genuine "one stop shopping" and destroying the economies of scale by stocking too many slow-turnover items.

The food department is generally seen as the essential magnet to any successful superstore. Though Tesco last year opened a 60,000 square foot store in Hadleigh in Suffolk selling only non-foods, most operators feel they must stock a full range of highly competitively priced food lines if they are to persuade consumers to get into their cars and drive for up to 20 minutes to their stores. To do this efficiently, most operators want to devote at least 10,000 square feet to start covering the green fields with stores of 200,000 square feet upward. And it will not only be the planning authorities who put a stop to such developments. There is a feeling

that the "biggest is best" philosophy has gone too far in France even given the different shopping patterns which already existed there, and that shoppers find the prospect of walking around such large stores too daunting. Moreover, unlike the French, who have little tradition of High Street shopping, the British operators, as they continually point out to the planning authorities, are not trying to offer shoppers a complete alternative to the High Street.

But if few people predict the mushrooming of French style hypermarkets in this country, nobody is prepared to rule out this possibility. As one supermarket director says, "20 years ago, we were still gasping with surprise at the idea of a 5,000 square foot supermarket and now they often seem too small to be of any use. Ideas of size change very quickly in the grocery business."

Tesco's own history exemplifies this rate of change in the supermarket business. To the company's founder, Sir John Cohen, the Irlam store must indeed be a remarkable site when compared to the market stall on which he started the

business.

Turnover from the new store is expected to be £13m. In its first year, more as Sir John Cohen has pointed out than the total turnover of some public companies. To achieve this figure, Tesco is going to have to attract some 3m customers from under the noses of the 17 other superstores which operate in this area. For Irlam, developed at a cost of £3m, is situated in one of the most competitive areas for grocery trading in this country. Almost all the other superstore operators have stores in the area and local shoppers are offered some of the cheapest prices in the country.

The great majority of customers are expected to come by car, driving for up to 20 minutes to get there. The site is under five miles from the heart of the North West's motorway network, and almost 1,000 parking places are provided. The store itself is a single storey building, set in 10 acres of landscaped land. While it

could hardly be said to contribute much to the landscape, the new store is certainly no more of an eyesore than the derelict land on which it was built.

Inside the store has a feeling of great space. It has 32 checkouts and a gross floor area of 102,805 square feet. The aisles are wide and the ceilings high. In all it will stock some 30,000 different items with cut price petrol—one of the essentials for a successful superstore—on offer outside.

As well as the grocery department, which is situated at the back of the store in an attempt to pull customers through the shop, there is a large fresh food department and in-store bakery and restaurant. The non-food range includes most of the range from the heart of Tesco Home (N) Ware range, including household textiles, carpets and electrical goods. There are also assistant-operated counters selling books, audio and television sets and holidays and insurance.

The savings possible in the food department are illustrated in the fact that Tesco has spent on introducing cage-pallets to the store. This already used extensively by Asda, means that goods can be straight off the lorries, packed or priced by as many as 400 staff members co-operated to put 188 pallets further 227 lines are brought into cages by Tesco at their Winsford depot. Tesco says that manual using cages will gain a cent, sales increase again in the same product—partly because caged tending to get prime space. Cages at Irlam meant a halving of warehouse requirements, further automation of the bakery and butchery means that in total has been able to cut 21 of its normal staff. Moreover, the use of cages, which are piled top of the other in the mean that the company has been able to make full use of vertical space possible in a normal market. Tesco estimates cage palletisation increases the gross sales floor by 7 per cent. It is these kinds of which proponents of such operations say result in prices to the housewife (mainly, the prices at Irlam). Tesco operates three price lines: the cheapest used in the where the company has store competitor on a step. The Irlam price is cheaper still. According to the company they will be per cent less than those in a normal Tesco. In the company will at Green Shield stamps. Tesco will be able to cut prices to this extent, it can hardly afford to. One thing which certain is that customers in the area will have a bonanza.

## Uneven regional distribution

ONE OF the more interesting aspects of the development of superstores and hypermarkets in the U.K. is the uneven geographical distribution. A survey done by Nielsen in 1974 showed that there was a very heavy concentration of grocery outlets with more than 20,000 square feet of selling space in the area covered by Wales, the Midlands, and the North of England. At that time Nielsen identified 80 such stores and close on three quarters of them were located in these three regions. In terms of actual percentages the three areas, which between them accounted for 48 per cent of the human population were served by 73.6 per cent of the superstore population. In the southern half of the country the 42 per cent of the population could muster only 20 per cent of the superstore total, while in Scotland the 10 per cent of the population had just over 6 per cent of the superstores.

Part of the explanation of this phenomenon lies in the fact that the leading grocery chains such as Tesco and Sainsbury are much stronger in the south than in the Midlands and north and there was therefore less immediate need for new superstores to serve the population. It is where these strongly entrenched chains were weakest that superstores prospered soonest.

## Off-centre

Indeed it was not only superstores which prospered. Other new retailing ideas such as the Kwik-save "pile it high and sell it cheap" concept were also born in the North West. Kwik-save's formula is to go not for big stores out of town, but for smaller stores in off-centre locations in high street trading areas. With overheads trimmed to the bone and frills cut out altogether the Kwik-save principle is exactly the same as that of its big-store brethren: the use of a definite price advantage to bring the shopper where the shopper is normally expected to be.

A somewhat technical reason for the superstore concentration in the Midlands and North is the existence of Asda, the Associated Dairies subsidiary which is the biggest—and most successful—superstore operator, currently running 32 superstores. Completed stores in the Leeds-based group are sited as far apart as Newport and Dunfermline, but the main concentration stretches across the country in a band bounded by Sheffield in the south and York to the north.

A further possible reason for the concentration of our biggest grocery outlets in the Midlands and the North is the vastly improved road network which exists in these areas. Motorway development is a good deal further advanced than it is in the South, and stores sited close to motorways offer a much wider catchment area than do those in congested local road networks.

Telford in Shropshire offers an excellent example of this point. A Carrefour hypermarket and a Sainsbury superstore are both operating profitably—side by side—although the Telford new town which they are designed eventually to service is still not yet built. Not until the 1990s will the town have reached its scheduled 235,000 population, but the existing motorway network allows the two stores to attract custom from the conurbations of Wolverhampton and even Birmingham.

Telford is also a good example of how to get planning permission in what many retailers

consider to be a generally adequate road system—or rather the lack of one—will be that it is easier to get sites in the Midlands and northern in many congested areas than in the south east. Because these big stores draw traffic from a wide area—zealous guardians of their and are specifically designed shrinking green belt areas. Undoubtedly the regional can have a substantial effect on imbalance will gradually be reduced with more and more retailers submitting planning applications for more and more sites around the country. As feels that there is a danger of the weight of evidence builds creating new traffic congestion up to show that these very large problems he may well turn stores can co-exist with existing down an application even when shopping areas and that they of a hypermarket or superstore can be landscaped so that they are not an environmental blot would be justified in terms of (and in some cases could actually improve rundown sites) planning applications may be easier to come by.

However, the existence of an

Sandy McLachlan

Elinor Goss



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## The Executive's World

EDITED BY JOHN ELLIOTT

POWER STATION CONSTRUCTION

BY DAVID FISHLOCK

## Audits to boost efficiency

THE ENGINEERING industries of the U.K. reeled under some powerful punches from one of its biggest customers last week when Mr. Robert Peddie, member of the Central Electricity Board responsible for technology, disclosed the tougher conditions his Board plans to impose on its engineering contractors in future. It wants to make a full audit of the competence — managerial and technical as well as financial — of roughly 1,000 contractors who might share the main contracts in big power station projects.

It has already begun to audit about 500 suppliers for competence in quality assurance and programme management in connection with its new 2,500 MW nuclear station for Sizewell, and plans to issue its first "certificates of compliance" later this year to those which match up to what it acknowledges will be "exacting requirements." But the audit is being done in co-operation with the companies; and Mr. Peddie has stressed that in no sense will they form a secret CEBG dossier on the supplier.

Mr. Peddie, in a presentation on the management of large-scale, high-technology projects at the Institution of Electrical Engineers, began with the customer's view of projects which, typically, were one, two or even four years late in delivering their first electricity. The cost to the customer was high, he alleged, that it was impossible to devise any contract in which potential excess costs incurred by the Board due to poor contractor performance are ever recovered from the contractor, even by taking over the full assets of the firm.

To illustrate this assertion he took the example of a power station costing about £350m, here the major contracts covering work such as turbo-

generators, boilers, civil engineering, would be of the order of 10m, apiece. If one such contract was fulfilled a year late, using the entire project to slip a year, the Board could expect to recover just £2.5m, on the defaulting contractor liquidated damages liability. But the cost of a year's slippage to the CEBG would lie somewhere between £50m and £1m, as the accompanying invoice sheet shows. Even this ex-ante would not include the cost of replacing the missing electricity from older and less efficient plants, which could range from £30m for fossil-fuel to £110m for nuclear.

Costs of this magnitude, said Mr. Peddie, meant that the Board was obliged to involve

itself in the total process of power plant contracting, while at the same time clearly defining its contractors' responsibility and accountability for performance. "Effectively," he admitted, "the Board recognised that its own organisation had failed to keep pace with the increasing sophistication of power plant technology. Only in 1974 had it completed a long-planned move to co-ordinate all generation and development resources in a corporate attack on the problem."

One of the first moves of the new project management was to take a critical look at past performance — a post mortem which helped the Board to determine how, ideally, it would like to construct power stations in future. From this it concluded that more resources had to be deployed at the design stage of a project, to ensure that the design was completed, verified and audited before big spending began.

Mr. Peddie offered some horrifying examples of the consequences of failing to do this in the past. The failure of its contractors to produce and prove gas circulators on time for the advanced gas-cooled reactors (AGRs) had added £30m to the programme. Rejection by the Nuclear Installations Inspectorate, at a late stage of a key design feature in the containment of the AGRs, previously agreed between the Board and its contractor, had added another £25m.

From the evidence of this post mortem Mr. Peddie concluded that in the risk areas, which were commonplace in power station technology, for every £10,000 that the Board and its contractors failed to spend at the design stage, costs of the order of £1m could be incurred for design, manufacture and associated time-dependent costs later on.

The Board also recognised that site management had failed to keep abreast of the growing complexity of power plant technology.

Productivity on large construction sites in Britain appeared to be well below that of other nations. CEBG experience was that only 30-40 per cent. of available man-hours were being effectively used in mechanical erection work.

Where once site management had needed to organise comparatively small groups of itinerant workers, doing jobs that were largely independent of one another, now much bigger numbers were needed, very few of which were permanent employees of the contractor, but who were expected to

work to exacting standards in extremely confined spaces for long periods at a time. In such circumstances disputes over wage differentials, conditions of employment, demarcation lines or rights to union membership all tended to become amplified.

Some of the problems on sites could be reduced by directing more resources to the design phase of the project, so avoiding the disillusionment that follows when, for example, work has to be stripped down and redone, with consequent losses of bonus for the employees. But other problems could be contained only with more sophisticated contract strategies and manpower management procedures.

What, then, has the CEBG learned to back up Mr. Peddie's claim to "considerable experience of managing high technology?" Above all, it has learned that before it takes the risk of placing contracts it must know much more about the capabilities of its suppliers, especially with prototype stations such as the 2,500 MW nuclear station based on the "Steamer" it is building at Sizewell. To this end its engineers are auditing all major suppliers for their performance in quality assurance and in programme management, from manufacture through to site work. Already about 500 companies have been audited over the past year, and the results discussed with the companies concerned.

First, the "auditors" make an evaluation of the supplier's present practices, and report any inadequacies found to the management. If these should prove particularly gross, they may warn the management at this stage that the company is unlikely to qualify quickly for a "certificate of compliance." Then the auditors return from time to time to assess practices relating to specific pieces of work passing through the factory.

One industrialist closely involved in the auditing describes it as "formalising the kind of thing the best managers have done in the past."

The next step by the CEBG will be to audit the certified companies for their management of the design process, from drawing board to factory floor.

Its aim overall is that, very early in a prototype project — before detail design has even begun — it will have made a systematic management study of seven vital areas of the project: resources will have been checked; manufacturers' will have been audited; an agreed reference design will have been established; the extent of extrapolation and innovation will have been identified; the prototype design and development programme will have been refined; and areas where basic design data and techniques are lacking will have been revealed.

Only when these studies have been completed, and a second status and audit report on the project approved by the Board, will the main plant contracts be awarded and the detailed design begin.

Sceptics could allege that the whole operation is nothing more than an elaborate delaying tactic designed to let the CEBG avoid ordering new generating plant and spending money while keeping its own large engineering team occupied. One executive goes so far as to suggest that the CEBG engineers are unqualified by their experience to try to make such an audit. If they were, he suggests, they should be working for industry themselves, not for the CEBG.

Nevertheless, so commanding is the situation of the customers here, even its major contractors are unlikely to protest very loudly. Turbo-generator troubles, for example, have been too frequently recurring a feature of power station delays for its sole supplier (GEC) to claim that an audit of its performance would be undignified.



British Airways

## Business flying without tears

BY MICHAEL DONNE

LAST WEEK'S decision by London-Hong Kong, first-class, British Airways to introduce the £720 return economy-class "executive" cabin has increasingly irritated those companies executives on many routes in recent years is that they have been sitting aboard the aircraft alongside other passengers who openly admit that they are flying on but also those of other airlines. Basically, the BA move — starting in April — is aimed at ensuring that the businessman or any other traveller paying for the full economy-class fare is separated out from the vast mass of other non-first-class travellers occupying the 747. By giving those economy-fare passengers a separate cabin — the "E" cabin immediately behind the first-class section — BA feels it can restore to them some part of the benefits attaching to their fare that have been steadily eroded over the years by the growth of the very low-fare promotional traffic.

## Hong Kong

It is a limited but significant victory for the businessman. On the Hong Kong route alone, the full economy-fare traveller represents 18.5 per cent. of BA's traffic on the route. Throughout the airline as a whole, there are over 4m business travellers a year (or nearly 30 per cent. of its total traffic), most of them flying economy class. BA, through its advertising, makes the point that if a man is worth sending a long way on his company's behalf, he is worth sending first-class so that he arrives fresher and fitter for duty. Carrying also the subtle cachet among his business acquaintances that he is important enough to rank first-class — which counts for something in the Far East particularly.

But the airline also recognises doing it: the best is probably national Air Transport Association that not every company can the way now chosen — segregation of the 49-seat B cabin, rules, subject to the approvals having to send their executives economy class. The difference economy-fare traveller can get Governments, especially regarding standards of in-flight comfort between £1,230.80 return, quiet, the company of travellers' fort and service. The other

in the same class as himself, free refreshments, and perhaps some other amenities such as special writing facilities and so other routes. This is more on. The benefits, of course, can be only marginal, for there is a limit to how much any airline can give away — but at least it is a start.

BA says that on the Hong Kong Jumbo, the full economy-fare traveller will be detected at check-in simply by the fact that his ticket says he is paying the full fare. (A more secure way of getting what he wants is for the businessman to identify himself on booking, requesting the executive cabin.) He will then be allocated a seat in that cabin. BA could go one further and give him some kind of special treatment on the ground — like the use of a special lounge prior to flight and an escort to the aeroplane.

The airline cannot really guarantee anything. It must be a case of first come, first served. If the executive cabin is full, the late bookers will have to be accommodated in the front rows of the seats in cabin C — not such a favourable place to be. Also, there is little that BA can do if a family paying the full economy-fare gets aboard and demands the executive cabin, or if there are so many low-fare promotional travellers that they, too, spill over into the executive cabin. One way out of that conundrum might be for BA to put all the genuine businessmen's names into a hat and draw lots for any vacant first-class seats that might be otherwise empty on take-off, at no extra fare.

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## Selling a chemical image

CHEMICAL COMPANIES which have in the past puzzled how to communicate to the world details of their new effluent treatment plant, information on a new catalytic combustion process, or simply why the boiler blew up, may not have to rack their brains much longer.

In future, on these and other similar occasions, the call is likely to go up instead to fetch the red book — a weighty 200-page guide to public relations for chemical manufacturers produced by the Chemical Industries Association, the industry's trade organisation.

The association has been anxious for some time that the industry should discard its low profile approach which has often resulted in the industry coming to public attention only when it has been making an unfavourable impact on local communities, for example through pollution.

The changing social, political and economic climate means

that the industry has to look outwards, according to Mr. Bill McMillan, the association's external relations director. "There is a need for a more positive approach, to provide much more information on the chemical industry's activities, performance, statistics, attitudes and policies," he claims.

As well as providing much basic information of this sort in a bid to stimulate more public awareness of the industry's importance, the book also includes guidance on how companies can seek to put their own message across.

Thus it contains biographical details of all current members of Parliament, an outline of the local authority structure in each part of the country, and a list of national, regional and local newspapers, radio and television stations.

According to Mr. McMillan, the biggest companies in the industry, and many small and medium-sized concerns, are already managing effectively to communicate with the public.

The association is hoping, however, that the guide will encourage the spread of information in all areas where the industry provides employment and information.

To help some of the smaller companies which have perhaps not been keen to involve the Press in their activities and which have been surprised at misunderstandings that have occurred, the book gives advice on working with journalists. Apart from outlining how to write a Press release, it also provides such tips as: be friendly to journalists; do not argue with editors or reporters when a story is not used; make yourself known to newspapers; do not feed them "puff" paragraphs; and never use pressure or influence to get a story printed.

Guide to Public Relations. Chem. Ind. Ass., Alembic House, 93, Albert Embankment, London SE1 7TU. £10 regional edition, £15 national edition.

Rhys David

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## SOCIETY TO-DAY

BY JOE ROGALY

# The supplementary benefits backlash

THE GOVERNMENT needs to be realistic about the public spending and supplement the incomes of the very poor. These two objectives are wholly irreconcilable, though it is unfortunately difficult to focus on both at the same time. For a poverty lobby is under such a much so that the Government could one day wake up to discover that cuts in welfare spending were wildly popular. It is difficult to imagine a time when there will be a dangerous temptation to cut too much.

For example, yesterday's changes to stop the payment of supplementary benefits to claimants on Easter or Christmas Eve are an over-reaction. It would be even better if any consequent saving was least partly diverted to help in serious distress, such as pensioners faced with high winter fuel bills.

## Immoderate

With public expenditure as tightly controlled as it is today, a kind of trade-off may not be much difference to the totals. But the sentiment favour of reducing social security payments is strong, and it is a concern for the poor that a series of immoderate slashes at the welfare in the not-too-distant future is a fundamental reason for the fact that more and more people have begun to realise (a) the low-paid who are for a living can be badly off; (b) the sick or unemployed to the lowest levels of income, contribute to the exorbitant costs from which the Minister might put it.

of rising unemployment. Those who are still in work like to feel their good fortune is due to something more creditable than luck: the unemployed must be out of work through their own fault—a view widely shared even by men in the dole queues. It seems. Inflation had reduced the tax threshold to a point at which almost everyone in work was more sharply aware than hitherto that other people's really do need the money. In hard cash terms—that is, in the kind of money even the Treasury should be able to understand—spending on supplementary benefits has more than doubled over the past five years. It was £524m. in 1970-71, £680m. in 1972-73, and £839m. in 1974-75. The 1975-76 outturn is not yet available, but a reflection of the unemployment rate. Once you have been out of work for 12 months this

## YEAR END SAMPLING OF PEOPLE ON SOCIAL SECURITY ('000)

	1948	National Assistance 1951	1961	1965	1966	Supplementary Benefits 1972	1973	1974	1975
Pensioners	638	969	1,323	1,470	1,571	1,969	1,963	1,867	1,731
Unemployed	53	66	142	120	190	411	262	316	572
Sick and disabled	144	219	280	300	312	313	295	273	250
Women	32	41	78	110	128	232	233	250	263
With children	144	167	78	75	79	89	80	71	63
Others									
TOTAL	1,011	1,462	1,901	2,075	2,580	3,014	2,773	2,777	2,899

1. Including certain widows over 60 years.  
2. Under 60; single fathers included in 1975.

benefits came out of his own earnings.

The lecture is a lengthy open discussion of the issues arising out of this shift in public attitudes. It is to the credit of Professor Donnison that he is willing to open up the debate in this way—and indeed one must acknowledge that it was Mrs. Barbara Castle who, last May, asked the Commission to enter the fray.

For there is no doubt that this is a difficult one. However much one acknowledges the need to make a genuine cut in public expenditure, the fact remains that the great majority of people on social security

as in last week's White Paper, is an increase of only 20 per cent., to be followed by a slight fall over the next five years according to the imaginary world of such projections.

The table shows how much of this spending is probably unavoidable for so long as our present notions of the lowest level of subsistence our society can accept persist. About two-thirds of the recipients of supplementary benefit are pensioners; the conclusion to draw from this is that pensions are too low, not that benefits are too high. There was a decline in the number of pensioners drawing supplement-

kind of social security is likely to be your primary means of support. In moral, if not financial, terms there is a case for better benefits for the long-term unemployed (who, unlike pensioners, do not get the "long-term addition" to the scale rates). The other lines show other broad areas of need: the sick and disabled and those with children and no breadwinner or chance to do a proper job who must be beneficiaries if the welfare State is to mean anything at all.

Within these areas there is room for much re-arrangement and some possible reduction in what is spent and the manner

in which it is spent. For example, the increases in pensions over the past couple of years have resulted in a significant shifting of the balance of welfare spending away from families and towards the old. These matters are difficult to calculate, but the swing may have been as high as 15 per cent. Has it gone too far?

Professor Donnison said last night that the founders of the welfare state, starting with the wartime Beveridge Report, could not have intended that the whole system of means-tested benefits should one day support something like 8 per cent. of the population. To him there are three fundamental ways of reducing the numbers: full employment, improved pensions and "an adequate system of family support". The first is not being provided while, in my view, the third is being denied partly at the expense of the second.

Together with high taxation, this may explain why in Professor Donnison's words "the country is now passing through a backlash (not surprising or even wholly unjustified) against Government, the Civil Service, social workers, social welfare and (wholly unjustified) against the more vulnerable people who depend on welfare to survive."

## Prosecutions

He acknowledges that in such a climate the Commission must "show that it is not soft on fraud." There were 40,000 suspected cases in 1974 and 14,000 prosecutions — nearly all

successful. Some of those who stay unemployed for what seems like much too long are interviewed by his officials. In 1974, 160,000 such interviews were booked; and more than half of the beneficiaries stopped drawing benefit either just before or just after the interview date. Professor Donnison balances such figures with what he believes to be the far greater numbers of those entitled to claim who do not do so. To those who say benefits (currently about 60 per cent. of average net earnings for a two-child family) are too generous, he points to the living standards of people at that level.

The dilemma is at the heart of our notions of what a modern state should provide: it is there whether you are a numerate Left-winger or a believer in the "social market economy" or even an old-fashioned Tory who wishes to restrict such payments to the level of poor relief. It is expensive, but it is unavoidable. The only fruitful line of questioning, therefore, is "how can the total be minimised, while the payments to those who need the money are maximised?"

One offering by Professor Donnison is a predilection in favour of higher benefits but fewer discretionary allowances.

In 1966, 15 per cent. of claimants were getting "exceptional" additions, shortly after the stripping-down of the system brought about by the Act of that year. But since then new needs have been made evident, additions have been made, and there have been allowed, and now some 34 per cent. of

claimants get additional allowances. An extreme example is the occasional supplementary benefits payment—as much as £200—to sell a diseased and therefore dangerous Dutch elm in claimants' gardens. "I believe we should guarantee people's incomes," said Professor Donnison last night.

## Wide-ranging

The Donnison lecture is a useful start, but if the interests of the really needy poor are to be safeguarded the debate must become even more wide-ranging. For supplementary benefits alone account for about a ninth of total social security spending, and just a fraction over 1 per cent. of the whole of the social security and health budget that needs to be looked at, including the overlaps — so pointedly alluded to by Professor Donnison — with the work of other departments.

What is needed is a true reappraisal, on the Beveridge scale, of the proper shape of a contemporary welfare state. It would best fit public opinion if this produced a mechanism that paid most benefits in cash, kept numbers to those who by common consent were genuinely in need, and avoided the humiliations of means testing. Such a model might not fit the highest aspirations of the most humanitarian among us, and it would be a pity if it were not adjusted towards a decent level of generosity. But that we need a new, slimmer, model cannot be doubted.

## Letters to the Editor

### ate-aided technology

Mr. N. K. Gardner  
—The £1.3bn. loss in aerospace launching aid should, according to Mr. R. A. Harvey (page 18) be presumed to be a net gain unless it is demonstrated that launching aid we should not have suffered an even greater "All the indications," Mr. Harvey suggests, are that with a greater loss would have occurred. What are the indications? First, there is indication from some 1965 launches that aerospace work would have been forced to turn to industries having a 6 per cent. lower productivity. There is the possibility he industries into which moved would have been to find markets for in-put. The third indication, provided, apparently by computer—is that over 45 per cent. of aerospace workers have been unable to find alternative work.

Mr. R. A. Harvey  
—The original paper (which subsequently reviewed in columns on February 11) led to the various benefits may have tended to offset social loss, and I emphasise that the overall balance is a matter of subjective judgement. It does not seem to me that Mr. Harvey's indications are usefully to such a degree. There is, to start with, no question of interpretation of the first point. It does not, of course, that because labour productivity was lower in other sectors, output would have been allowed resources transferred to them. Transferred losses might well have occurred (whatever the figures) especially if the context of the 30-year period of launching aid, the loss of such losses could have been as decisive as any suggestion. Failure to take element into account was a serious mistake, liable for the misleading of his third indication. Mean closure of the aerospace industry would have led to vast redeployment problems, but that is not at issue. Launching aid to 40 projects over a period of 30 years—a facing which the total of 30 joined and left the workforce must surely be far greater than the 30 employed by the aerospace industry. Difficulties of markets for increased Mr. Harvey's second point is on the other hand, since that the country's growth was constrained by the period during which it had been given, by lack of demand for products. Outside —including Professor Yale University—have a performance has, in a harsher way, an excess of resources made aerospace industry.

of Britain's exports have reduced by industries are received no special aid. If one selected a few plant closures in engineering industry, it is very reached similar consequences to those he reached in the aerospace industry. Jobs are being created, even in the electrical engineering industry, between 1960 and 1970, 200,000 jobs were

## The Consumer Credit Act

From Mr. R. Ross.  
Sir, — The Consumer Credit Act must surely rate as the greatest bureaucratic invention of all time. The basic assumption which resulted in this legislation is that anyone remotely connected with the provision of credit must be regarded as dishonest and the only means to overcome this is by extensive licensing.

Included in this category are all professional people, such as solicitors and accountants, who may be subsequently privileged to obtain a group licence, but who in the meantime must individually apply for a licence which will be considered by a bureaucratic and cannot be granted automatically, although there are very strong professional codes already governing the behaviour of professional people.

The ludicrous extent to which the controls are carried can be seen by referring to the Government's own booklet on the Act under the section referring to debt counselling. It points out that a licence will be needed to advise on the payment of normal trade credit such as . . . the milk bill or the newspaper account. It would appear that only where the credit exceeds £5,000 do these onerous restrictions cease to apply, so that, presumably, a bank robber stealing less than £5,000 would need a licence, but this would be unnecessary where he robs banks for larger amounts.

## Change of climate

From The Communications Director, Oxford.  
Sir, — We fully endorse Gordon Tether's well-informed article (February 18) which was prompted by the publication of War on Want's "Profits of Doom."

There is, however, one aspect that I would like to expand upon: Oxfam believes that there is a relationship between educational campaigns in the West and the movement which has been growing in Britain for us to limit our share of the world's resources. We agree that by making gestures like the ones so frowned on by the War on Want researchers, the people are helping to create a climate conducive to change. Eating one hamburger less per day, or changing from a car to a bicycle, may not alter the world, but by making these

### Season ticket tax relief

From Mr. R. Hancock  
Sir, — We have arrived at a situation unparalleled in the history of our railway system when the volume of passengers is declining because many people just cannot afford to pay the fares, and also there is a growing decline in freight traffic due mainly to inefficiency in delivering the goods and also the high cost of carriage.

For once the commuters and rail unions find themselves in a strange bed-fellows. At last the unions seem to have woken up to the fact that there is a limit to the extent which the hard-pressed travelling public, including the commuters, can afford to pay the fares to subsidise the restrictive practices among employees and shortcomings in management.

Possibly also senior management in British Rail might also be becoming aware of this situation and which no doubt will be used as a weapon in the tug-of-war between British Rail and the Government over the possibility of providing some form of subsidy. In effect, however, the Government has a two-edged sword in this confrontation; in the first place by seeming to refuse to refund from financial interest in the situation it is hoped that British Rail might streamline the organisation into a viable and profitable machine, which is wishful thinking.

Representatives of the Government have frequently said that commuters are the white-collar and non-sacred workers (no union) and also are capable of being squeezed still more without the Labour Government losing votes.

## Commuters complain

From Mr. J. Orchard.  
Sir, — Liverpool Street and Fenchurch Street commuters Windsor (half or full) or the subscribe to profitable British Rail lines yet they are to be penalised again to the extent of between 10 per cent. and 17 per cent. in fare increases and a 53 Fleet Street, E.C.4.

### Danger in delay

From Mr. K. Nixon.  
Sir, — Now that battle lines are clearly drawn on participation it would be a good idea to pause to decide what the fight is about. There are two distinct issues here: worker participation as a social-economic development; and individual involvement in the design of the work situation. Whatever the merits or demerits of worker participation at Board level one thing is perfectly clear: unless we combine to involve people creatively in the processes of change there will be no future for Britain in a world of accelerating technology.

Regardless of the economic order or whether a body is privately or publicly owned, only through individual creative effort is anything good or bad achieved. It could well be that to get people to apply their ideas and energy some degree of participation in end results will have to be agreed. After all, it is unrealistic to expect the civil service, say, to co-operate to cut costs in the interests of the whole if their own interests are ignored.

It is a most serious issue of the day is not that people are excluded from high level policy-making but that they are ignored when it comes to change within the work areas. Even many senior managers know that when the chips are down their net influence is negligible. In joining white-collar unions they are admitting it.

It is time to talk of the future of worker participation if the future is in doubt because we have failed to recognise the need to harness individual ability. The danger lies in delaying what is fundamental to a changing technological age by lumping it in with an issue that is bound to generate long-winded dialogue however socially just it may be.

## When you're smiling . . .

From Mr. J. Murphy.  
Sir, — As part of a professional exercise on behalf of the The Manufacturers' Association have for the past six months been making a special study of the photographs of company chairmen in the Financial Times. Two outstanding facts have so far emerged:

(a) Fewer numbers are wearing wide, colourful ties in contrast with the starkly doleful models which used to be regarded as the symbol of solidity of character.  
(b) Those chairmen who are shown wearing the more fashionable ties are invariably smiling, whereas those who still stick to the narrow, plain ties that one expects to read that they have trimmed the dividend.  
The one sad feature I have particularly noted is that so few seem to know how to tie an appropriate knot. Instead of the wide, loose knot, such as the Windsor (half or full) or the Prince Albert, most stick to the style they learnt at prep school. John Murphy Publicity.

## GENERAL

Provisional unemployment figures for February issued.  
SEC Foreign Ministers end two-day meeting, Luxembourg.  
Mr. Francois-Xavier Ortoli, president, European Communities Commission, meets President Ford, Washington.  
EEC Council of Ministers on Research meets, Brussels.  
Voting takes place in New Hampshire presidential primary election.  
Mr. Leonid Brezhnev, First Secretary, Central Committee, Presidium of Supreme Soviet, gives keynote speech to Party's 25th Congress, Moscow.  
President Sadat of Egypt ends four-day visit to Saudi Arabia and then tours other Gulf States.

## To-day's Events

Association of South East Asian Nations ends two-day summit, Bali.  
Mr. Anthony Wedgwood Benn, Energy Secretary, addresses public meeting in Coventry North-West by-election campaign.  
Junior doctors' representatives lobby MPs on retaining independent medical practice within NHS, House of Commons.  
Greater London Council's Transport Committee meets and is expected to consider proposal that private office car parks be taxed.  
PARLIAMENTARY BUSINESS  
House of Commons: Debate on

East-West relations.  
House of Lords: Maplin Development Authority (Dissolution) Bill and Naval Board (Finance) Bill, third readings.  
Trade Union and Labour Relations (Amendment) Bill, committee.  
Solicitors (Scotland) Bill, report stage.  
Shops (Sunday Trading) Bill, second reading.  
COMPANY RESULTS  
National Westminster Bank (full year).  
Nottingham Manufacturing (full year).  
Spirilla Group (full year).  
COMPANY MEETINGS  
Granite, Solihull, 12.

Deans, Birmingham, 12.  
Record Ridgway, Sheffield, 12.  
OPERA  
Royal Opera production of Pagliacci, Covent Garden, W.C.2, 7.30 p.m.  
English National Opera perform The Valkyrie, Coliseum Theatre, W.C.2, 5.30 p.m.  
MUSIC  
London Philharmonic Orchestra, conductor Sir Georg Solti, with Peter Frankl (piano) play Mozart's piano concerto No. 23 in A, and Bruckner's symphony No. 8 in C minor, Royal Festival Hall, S.E.1, 8 p.m.  
Albert Colombo gives piano recital of works by Beethoven, Prokofiev, Smetana and Chopin, Purcell Room, S.E.1, 7.30 p.m.

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## MINING NEWS

## BH South shuts copper mine

BY KENNETH MARSTON, MINING EDITOR

Still taking a gloomy view of the outlook for copper, BH South has closed down its open-pit copper mine at Kambalda in south Australia. The easily mined ore is to be worked for a while but ore production is expected to terminate before the end of the year. The mine will be placed on a care and maintenance basis.

BH South points out that, continuing losses are being incurred. The mine has been hit by last year's sharp rise in costs (principally in wages and costs), depressed prices for copper and the strength of the Australian dollar.

Furthermore, the company comments on a continued rise in domestic costs and an uncertain Australian economic outlook for the year. It says the signs would indicate an uplift in demand and a return to higher copper prices in 1976 (when exports in Australian dollar prices) and it may be well into 1977 before substantial recovery occurs.

Despite its other interests, BH made a loss of £1.1m (13.3m) in the year to last June, as in a month or so. Shareholders in Kambalda, apart from the South with 51 per cent, include Electrolytic Zinc 19.1 per cent, North Broken Hill 19.1 per cent, and Canada's Brevinorok with 10 per cent. The shares of BH South were 172p yesterday.

## DIAMANG SEEKS DEAL WITH MPLA

From Lisbon, Reuters reports that the Diamang Company of Angola (Diamang) has begun negotiations with the Angolan government which are aimed at ending over Diamang's concessions there. The diamond mining concession covers the north-eastern quarter of the border with the Zaire. Diamang produced 1,980m carats in 1975.

Last year, however, production fell by 60 per cent, and the fall reached 85 per cent in recent months with the result that the company is running at a "tremendous and permanent loss," according to the chairman, Mr. Rios Abecassis. He said that Diamang would like to remain as a contractor-partner to operate a diamond mine on the Angolan government's behalf.

A major problem has been the rise in illicit mining and the upping of diamonds by refugees who fled from the territory last year. Mr. Abecassis said that the Communist MPLA was not out to give the impression that it wanted to nationalise the company and he believed that profit-sharing agreement could be reached.

Mr. Abecassis is understood to have interest of less than 1 per cent. Diamang, although the former's main selling Organisation has been in handling the sales of golan diamonds along with some of other world producers for shareholders in Diamang.

## Appeal to banish 'myths' about sex equality law

THE REAL AIMS of the Sex Discrimination Act may become hidden unless the "mythology" surrounding it is checked, according to Lady Howe, deputy chairman of the Equal Opportunities Commission.

The Act was "not trying to put men into women or vice versa," she told a management conference in London yesterday.

The sole objective is to see that individuals are not prejudiced or treated as individuals, being judged on their individual merits and abilities and not by their sex.

It was not trying to interfere with employers' legitimate freedom—for example, to employ a man in preference to a woman if man was genuinely better suited for a job.

It is for us to remind employers that two workers in every area are women and that these women should be used to the full for the sake of the nation as well as for the individuals concerned.

It is for us to encourage employers to consider the employment needs of women.

## COATED METALS EXTENSION

The contested offer for Coated Metals by C. Walker and Sons has been extended until March 12 next. Acceptances have been received in respect of 222,550 Ordinary shares (20.29 per cent), while, in addition, 20,000 (1.74 per cent) were held prior to January 3, 1976.

## ASSOCIATES DEALS

Cazenove on Friday bought 2,500 Coated Metals at 130p for a discretionary investment. Client A. J. Bekhor bought 5,000 Highgate Ordinary at 37p on behalf of Bayline Investments, a wholly owned subsidiary of Bayline.

Hoare and Co. Govett last Thursday sold 2,000 Incheape at 35p and on Friday sold 5,000 at 39p average on behalf of an associate of Incheape.

## INTERIM STATEMENT

## BOND WORTH HOLDINGS LIMITED

## Interim Statement

Results for the half-year were in line with expectations expressed in my statement circulated with the Annual Report and Accounts. A second interim dividend of 1.57p per share is declared payable on 28th July to shareholders on the register at close of business on 21st June.

	Six months to 27th Dec. 1975	Six months to 28th Dec. 1974
Revenue	46,162,000	40,886,000
Operating Profit	2,520,000	2,337,000
Depreciation	280,000	288,000
Operating Profit	2,240,000	2,049,000
Finance Charges	1,197,000	1,224,000
Profit before Taxation	1,043,000	825,000
Associated Companies	1,033,000	845,000
Taxation	39,000	33,000
Profit	994,000	812,000
Minority Interest	(19,000)	(4,000)
Profit available for Distribution	1,013,000	808,000

JOHN T. MURRAY  
Chairman

24 February, 1976.

## BIDS AND DEALS

## Bid coming for Dares

A 65 PER CENT holding in Dares Estates, a building and property development company in which William Stern's interests are accounted for the same percentage of the equity, has been acquired by Mr. P. D. Jackson, Mr. D. Sidi, their family trusts, Mr. J. R. Morley and Mr. R. Herbert-Smith.

Mr. Morley and Mr. Herbert-Smith are directors of the company whose shares were suspended in May 1974 on the news of liquidity problems within Stern Holdings. The price at suspension was 12p.

The new holders of 4,208,416 shares paid 2p per share and under Takeover Code rules, will be required to make an offer on similar terms for the remaining shares. Documents in connection with this offer will be posted as soon as possible.

Mr. Jackson, Mr. Sidi, and Mr. E. Landau have been appointed to the Board. Mr. N. B. A. Bosworth, Mr. J. Dandy, and Mr. A. T. Mayne have agreed to resign.

The last results for Dares Estates, issued in July last year, showed a £419,145 loss for 1974, with extraordinary debits of £564,274 including a provision of £564,695 to reduce the book value of an investment property which had subsequently been sold.

A statement by the company yesterday confirmed intentions to continue the business of property investment and development and to apply for a re-listing as soon as possible.

## GEI in Scotland

GEI INTERNATIONAL, the specialist engineering group, has acquired the Scottish company of Andrew Denholm, holding equipment manufacturers, and its subsidiary, Cox Overbuilders for £255,000—£225,000 cash and 188,879 Ordinary shares.

Denholm's consolidated pre-tax profits for the year to December 30, 1975 were £102,000, and net assets, after a recent revaluation of buildings, amount to £230,000.

Mr. John Sewell, GEI group managing director, says "this acquisition marks further expansion into the baking, pharmaceutical and chemical industries. We believe of great potential and promising growth prospects."

WESTON PHARMS. Weston Photographic has received acceptances to date in respect of 10m. Ordinary shares in Weston Pharmaceuticals, sending, together with 300,000 shares acquired prior to the offer, 73.99 per cent of the issued Ordinary shares (51.27 per cent) in respect of which irrevocable undertakings to accept had been given.

The offer is now declared unconditional as to acceptances. Acceptances of the cash alternative have been received in respect of 6.3m. Weston shares (43.12 per cent) including 6.23m. (44.03 per cent) in respect of which the irrevocable undertakings had been given.

Subject to the remaining conditions being satisfied the share alternative offer will remain open until 3 p.m. to-morrow and will not be extended. The only conditions remaining to be fulfilled are approval by shareholders of 5,000 Ordinary of Bandanga Holdings at the extraordinary meeting and the admission of 115,000 shares (11.015 per cent.).

## RECENT ISSUES

## EQUITIES

Issue	Price	Amount	1975/6	1974/5	1973/4	1972/3	1971/2	1970/1	1969/0	1968/9	1967/8	1966/7	1965/6	1964/5	1963/4	1962/3	1961/2	1960/1	1959/0	1958/9	1957/8	1956/7	1955/6	1954/5	1953/4	1952/3	1951/2	1950/1	1949/0	1948/9	1947/8	1946/7	1945/6	1944/5	1943/4	1942/3	1941/2	1940/1	1939/0	1938/9	1937/8	1936/7	1935/6	1934/5	1933/4	1932/3	1931/2	1930/1	1929/0	1928/9	1927/8	1926/7	1925/6	1924/5	1923/4	1922/3	1921/2	1920/1	1919/0	1918/9	1917/8	1916/7	1915/6	1914/5	1913/4	1912/3	1911/2	1910/1	1909/0	1908/9	1907/8	1906/7	1905/6	1904/5	1903/4	1902/3	1901/2	1900/1	1899/0	1898/9	1897/8	1896/7	1895/6	1894/5	1893/4	1892/3	1891/2	1890/1	1889/0	1888/9	1887/8	1886/7	1885/6	1884/5	1883/4	1882/3	1881/2	1880/1	1879/0	1878/9	1877/8	1876/7	1875/6	1874/5	1873/4	1872/3	1871/2	1870/1	1869/0	1868/9	1867/8	1866/7	1865/6	1864/5	1863/4	1862/3	1861/2	1860/1	1859/0	1858/9	1857/8	1856/7	1855/6	1854/5	1853/4	1852/3	1851/2	1850/1	1849/0	1848/9	1847/8	1846/7	1845/6	1844/5	1843/4	1842/3	1841/2	1840/1	1839/0	1838/9	1837/8	1836/7	1835/6	1834/5	1833/4	1832/3	1831/2	1830/1	1829/0	1828/9	1827/8	1826/7	1825/6	1824/5	1823/4	1822/3	1821/2	1820/1	1819/0	1818/9	1817/8	1816/7	1815/6	1814/5	1813/4	1812/3	1811/2	1810/1	1809/0	1808/9	1807/8	1806/7	1805/6	1804/5	1803/4	1802/3	1801/2	1800/1	1799/0	1798/9	1797/8	1796/7	1795/6	1794/5	1793/4	1792/3	1791/2	1790/1	1789/0	1788/9	1787/8	1786/7	1785/6	1784/5	1783/4	1782/3	1781/2	1780/1	1779/0	1778/9	1777/8	1776/7	1775/6	1774/5	1773/4	1772/3	1771/2	1770/1	1769/0	1768/9	1767/8	1766/7	1765/6	1764/5	1763/4	1762/3	1761/2	1760/1	1759/0	1758/9	1757/8	1756/7	1755/6	1754/5	1753/4	1752/3	1751/2	1750/1	1749/0	1748/9	1747/8	1746/7	1745/6	1744/5	1743/4	1742/3	1741/2	1740/1	1739/0	1738/9	1737/8	1736/7	1735/6	1734/5	1733/4	1732/3	1731/2	1730/1	1729/0	1728/9	1727/8	1726/7	1725/6	1724/5	1723/4	1722/3	1721/2	1720/1	1719/0	1718/9	1717/8	1716/7	1715/6	1714/5	1713/4	1712/3	1711/2	1710/1	1709/0	1708/9	1707/8	1706/7	1705/6	1704/5	1703/4	1702/3	1701/2	1700/1	1699/0	1698/9	1697/8	1696/7	1695/6	1694/5	1693/4	1692/3	1691/2	1690/1	1689/0	1688/9	1687/8	1686/7	1685/6	1684/5	1683/4	1682/3	1681/2	1680/1	1679/0	1678/9	1677/8	1676/7	1675/6	1674/5	1673/4	1672/3	1671/2	1670/1	1669/0	1668/9	1667/8	1666/7	1665/6	1664/5	1663/4	1662/3	1661/2	1660/1	1659/0	1658/9	1657/8	1656/7	1655/6	1654/5	1653/4	1652/3	1651/2	1650/1	1649/0	1648/9	1647/8	1646/7	1645/6	1644/5	1643/4	1642/3	1641/2	1640/1	1639/0	1638/9	1637/8	1636/7	1635/6	1634/5	1633/4	1632/3	1631/2	1630/1	1629/0	1628/9	1627/8	1626/7	1625/6	1624/5	1623/4	1622/3	1621/2	1620/1	1619/0	1618/9	1617/8	1616/7	1615/6	1614/5	1613/4	1612/3	1611/2	1610/1	1609/0	1608/9	1607/8	1606/7	1605/6	1604/5	1603/4	1602/3	1601/2	1600/1	1599/0	1598/9	1597/8	1596/7	1595/6	1594/5	1593/4	1592/3	1591/2	1590/1	1589/0	1588/9	1587/8	1586/7	1585/6	1584/5	1583/4	1582/3	1581/2	1580/1	1579/0	1578/9	1577/8	1576/7	1575/6	1574/5	1573/4	1572/3	1571/2	1570/1	1569/0	1568/9	1567/8	1566/7	1565/6	1564/5	1563/4	1562/3	1561/2	1560/1	1559/0	1558/9	1557/8	1556/7	1555/6	1554/5	1553/4	1552/3	1551/2	1550/1	1549/0	1548/9	1547/8	1546/7	1545/6	1544/5	1543/4	1542/3	1541/2	1540/1	1539/0	1538/9	1537/8	1536/7	1535/6	1534/5	1533/4	1532/3	1531/2	1530/1	1529/0	1528/9	1527/8	1526/7	1525/6	1524/5	1523/4	1522/3	1521/2	1520/1	1519/0	1518/9	1517/8	1516/7	1515/6	1514/5	1513/4	1512/3	1511/2	1510/1	1509/0	1508/9	1507/8	1506/7	1505/6	1504/5	1503/4	1502/3	1501/2	1500/1	1499/0	1498/9	1497/8	1496/7	1495/6	1494/5	1493/4	1492/3	1491/2	1490/1	1489/0	1488/9	1487/8	1486/7	1485/6	1484/5	1483/4	1482/3	1481/2	1480/1	1479/0	1478/9	1477/8	1476/7	1475/6	1474/5	1473/4	1472/3	1471/2	1470/1	1469/0	1468/9	1467/8	1466/7	1465/6	1464/5	1463/4	1462/3	1461/2	1460/1	1459/0	1458/9	1457/8	1456/7	1455/6	1454/5	1453/4	1452/3	1451/2	1450/1	1449/0	1448/9	1447/8	1446/7	1445/6	1444/5	1443/4	1442/3	1441/2	1440/1	1439/0	1438/9	1437/8	1436/7	1435/6	1434/5	1433/4	1432/3	1431/2	1430/1	1429/0	1428/9	1427/8	1426/7	1425/6	1424/5	1423/4	1422/3	1421/2	1420/1	1419/0	1418/9	1417/8	1416/7	1415/6	1414/5	1413/4	1412/3	1411/2	1410/1	1409/0	1408/9	1407/8	1406/7	1405/6	1404/5	1403/4	1402/3	1401/2	1400/1	1399/0	1398/9	1397/8	1396/7	1395/6	1394/5	1393/4	1392/3	1391/2	1390/1	1389/0	1388/9	1387/8	1386/7	1385/6	1384/5	1383/4	1382/3	1381/2	1380/1	1379/0	1378/9	1377/8	1376/7	1375/6	1374/5	1373/4	1372/3	1371/2	1370/1	1369/0	1368/9	1367/8	1366/7	1365/6	1364/5	1363/4	1362/3	1361/2	1360/1	1359/0	1358/9	1357/8	1356/7	1355/6	1354/5	1353/4	1352/3	1351/2	1350/1	1349/0	1348/9	1347/8	1346/7	1345/6	1344/5	1343/4	1342/3	1341/2	1340/1	1339/0	1338/9	1337/8	1336/7	1335/6	1334/5	1333/4	1332/3	1331/2	1330/1	1329/0	1328/9	1327/8	1326/7	1325/6	1324/5	1323/4	1322/3	1321/2	1320/1	1319/0	1318/9	1317/8	1316/7	1315/6	1314/5	1313/4	1312/3	1311/2	1310/1	1309/0	1308/9	1307/8	1306/7	1305/6	1304/5	1303/4	1302/3	1301/2	1300/1	1299/0	1298/9	1297/8	1296/7	1295/6	1294/5	1293/4	1292/3	1291/2	1290/1	1289/0	1288/9	1287/8	1286/7	1285/6	1284/5	1283/4	1282/3	1281/2	1280/1	1279/0	1278/9	1277/8	1276/7	1275/6	1274/5	1273/4	1272/3	1271/2	1270/1	1269/0	1268/9	1267/8	1266/7	1265/6	1264/5	1263/4	1262/3	1261/2	1260/1	1259/0	1258/9	1257/8	1256/7	1255/6	1254/5	1253/4	1252/3	1251/2	1250/1	1249/0	1248/9	1247/8	1246/7	1245/6	1244/5	1243/4	1242/3	1241/2	1240/1	1239/0	1238/9	1237/8	1236/7	1235/6	1234/5	1233/4	1232/3	1231/2	1230/1	1229/0	1228/9	1227/8	1226/7	1225/6	1224/5	1223/4	1222/3	1221/2	1220/1	1219/0	1218/9	1217/8	1216/7	1215/6	1214/5	1213/4	1212/3	1211/2	1210/1	1209/0	1208/9	1207/8	1206/7	1205/6	1204/5	1203/4	1202/3	1201/2	1200/1	1199/0	1198/9	1197/8	1196/7	1195/6	1194/5	1193/4	1192/3	1191/2	1190/1	1189/0	1188/9	1187/8	1186/7	1185/6	1184/5	1183/4	1182/3	1181/2	1180/1	1179/0	1178/9	1177/8	1176/7	1175/6	1174/5	1173/4	1172/3	11
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## APPOINTMENTS

## SCANDINAVIAN BANK LTD.

We have the following vacancy on our staff, suitable for an energetic and hard working applicant—

## SYNDICATIONS &amp; PARTICIPATIONS ASSISTANT

The successful applicant will work under an assistant general manager and assistant manager (syndications) and will be up to 37 years of age and have a minimum of 3 years' experience of syndications/participations work and 2 years of general banking. Appointment would also be suitable for a graduate with 3 years' international banking experience, including a minimum of 1 year in syndications work; A.I.B. or other appropriate qualification desirable. The successful applicant would be required to work in a small team and to be capable of initiative and ideas in this field.

The above appointment offers interesting opportunities, a good salary and above average fringe benefits, including luncheon vouchers, house and personal loans, non-contributory pension scheme etc.

Applications with full curriculum vitae should be sent to—

H. E. Child, M.B.E., Personnel Manager  
Scandinavian Bank Ltd.  
36 Leadenhall Street  
London EC3A 1BH

## GILT EDGED SPECIALIST

Invited to join small well equipped and proficient team in medium sized firm of stockbrokers with excellent institutional connections. Substantial salary and share in the action offered, by negotiation. Applicants must be able and experienced, with proven business achievements, and confident that in the right atmosphere they can extend their successes. Write Box A.5437, Financial Times, 10, Cannon Street, EC4P 4BY.

## EVANS EMPLOYMENT AGENCY LTD.

can offer a number of interesting and progressive positions to

## STOCK EXCHANGE CLERKS

Any inquiries will be treated in the STRICTEST CONFIDENCE

Apply:  
EVANS EMPLOYMENT AGENCY LTD.,  
15 COTHALL AVENUE, E.C.2.  
01-628 0985, Mrs. Pinn

COMMUNITY Traders and Trainers Ltd.  
Charterhouse Apartments, 51-53 St. John's Lane, E.C.4

## APPOINTMENTS WANTED

SENIOR EXECUTIVE seeking a change from present employment. Has many years' experience selling laboratory instruments and has been successful in covering British sales for an overseas company. Write Box A.5437, Financial Times, 10, Cannon Street, EC4P 4BY.

## LEGAL NOTICES

No. 00571 of 1976  
In the HIGH COURT OF JUSTICE  
Chancery Division, Companies Court, in the Matter of WALTER WEINBERGER & COMPANY LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 17th day of February 1976, presented to the said Court by Department of Health and Social Security, W.C.I. And that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, W.C.2, on the 2nd day of March 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition must appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requesting such copy on payment of the regulated charge for the same.

M. W. M. OSWOND,  
State House, 50, Finsbury, London, E.C.2.  
NOTE—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named notice in writing of his intention to do so. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any), and must be served on, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 18th day of March 1976.

No. 00572 of 1976  
In the HIGH COURT OF JUSTICE  
Chancery Division, Companies Court, in the Matter of GOLD STREET TRAVEL LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 18th day of February 1976, presented to the said Court by M.D. TRAVEL LIMITED whose registered office is at 13, Old Hall Street, Liverpool 2, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, W.C.2, on the 2nd day of March 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition must appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requesting such copy on payment of the regulated charge for the same.

UNDERWOOD & CO.,  
40, Welbeck Street, London, W.1M 3LN  
Agents for Edward Lloyd & Co. of Liverpool.  
NOTE—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named notice in writing of his intention to do so. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any), and must be served on, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 18th day of March 1976.

In the Matter of THE SPRINGS HOTEL AND COUNTRY CLUB LIMITED and the Companies Act, 1948.  
NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a meeting of the Creditors of the above-named Company will be held at 7.11 Woodcote Road, Wallington, Surrey, on Tuesday, 23rd February, 1976, at 5.30 o'clock in the afternoon for the purpose of ascertaining the claims of the creditors of the said Company and of voting on the proposed arrangements for the winding up of the said Company.  
Dated the 23rd day of February, 1976.  
I. GILLAN, Director.

## CLASSIFIED ADVERTISING RATES

Per single column centimetre  
Appointments ..... £10.00  
Industrial and Business ..... £10.00  
Property ..... £10.00  
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Minimum depth—three single column centimetres. Premium positions available—rates on request.  
Write to Classified Advertising Manager, Financial Times, 10, Cannon Street, EC4P 4BY.

## CONTRACTS AND TENDERS

A. G. McKee & Co.  
on behalf of  
YACIMIENTOS PETROLIFEROS  
FISCALES BOLIVIANOS

## INTERNATIONAL PUBLIC LICITATION NO. 17

PURPOSE: Supply of power transformers (19) according to NEMA Std. Tr. 1 or of IEC (Publication No. 76) suitable for outdoor installation, K.V.A. 200 up to 10,000, for a refinery at Cochabamba, Republic of Bolivia.

OPENING OF BIDS: On May 27, 1976 at the below-mentioned offices, at 11.00 a.m. The bids will be received until that date and time.

PRICE OF SPECIFICATIONS AND BIDDING CONDITIONS: U.S. \$50.00 or its equivalent.

BID BOND: 0.5% of the amount of the bid.

INQUIRIES AND DOCUMENTATION: Inquiries may be made and specifications and bidding conditions may be secured at the office of "A. G. McKee & Co." Hipódromo Yrigoyen 440, 8th floor, Buenos Aires, Argentina.

VALIDITY OF OFFERINGS: Ninety days following bid opening date.

FINANCING: By the BANCO INTERAMERICANO DE DESARROLLO (INTERAMERICAN DEVELOPMENT BANK), in accordance with Contract No. 225/OC-80 with the Government of the Republic of Bolivia.

## PERSONAL

LEBANON—DIRECT RELIEF. 100,000 innocent people are homeless in cold weather. £2 will feed a family for one week. We guarantee that every penny given will be converted into food and given to needy families. Write to: Direct Relief, 10, Cannon Street, EC4P 4BY, London, E.C.4. We are also seeking donations of clothing, furniture, and other household goods. Write to: Direct Relief, 10, Cannon Street, EC4P 4BY, London, E.C.4.

## COMPANY NOTICES

## SLATER, WALKER TRUST MANAGEMENT LTD.

## SLATER, WALKER DOMESTIC TRUST

## NOTICE TO HOLDERS OF BEARER CERTIFICATES OR COUPONS

A notice convening a meeting of the Unit Holders of Slater, Walker Domestic Trust for 19th March, 1976, has today been despatched to holders of Registered Certificates. Holders of Bearer Certificates or coupons may inspect a copy of the same at the head office of the Trustee, Slater, Walker Trust Management Limited, 41 Lombury, London, EC2P 2BP, and at the head office of the Managers, Slater, Walker Trust Management Limited, 3 London Wall Buildings, London Wall, London, EC2M 3QL. Dated 24th February, 1976.

## GOLD FIELDS GROUP

## DECLARATION OF DIVIDENDS—UNITED KINGDOM CURRENCY EQUIVALENTS

In accordance with the Standard Conditions relating to the payment of the dividends declared by the undermentioned companies on 3 and 6 February 1976, respectively, payments from the United Kingdom currency of the dividends will be made in United Kingdom currency at the rate of 8/758190 South African Rand to the pound sterling, and at the rate of 1/1000000 South African Rand to the United Kingdom pound sterling, on 23 February 1976 as advised by the companies' South African bankers.

The United Kingdom currency equivalents of the dividends are therefore as follows:

Name of Company	Dividend Amount	United Kingdom Currency Equivalent
New West Bank Gold Exploration Company, Limited	50	£6.46625
Gold Fields of South Africa Limited	54	£6.84450

By Order of the Board,  
C. E. WENNER, H. J. GREEN,  
Joint London Secretaries.

## PRETORIA PORTLAND CEMENT COMPANY LIMITED

(Incorporated in the Republic of South Africa.)

## DECLARATION OF DIVIDEND NO. 136

Further to the dividend notice included in the Interim Report of the Company which was advertised in the press on 12 January, 1976, the dividend payable to holders of shares in the Company is hereby declared as follows:

The effective rate of South African Rand to the United Kingdom pound sterling is 1/1000000.

Charter Consolidated Limited,  
10, Lombury, London, EC2P 2BP.

Share Transfer Office of the Company Secretaries,  
10, Lombury, London, EC2P 2BP.

Charter House,  
Aldgate, Kent, 23rd February 1976.

## HIGSONS BREWERY LTD.

(Incorporated in the Republic of South Africa.)

NOTICE IS HEREBY GIVEN that the TRANSFERABLE LOAN STOCK (1000/2005) of the Company will be redeemed on the 31st March 1976, both dates inclusive.

By Order of the Board,  
127, Dale Street, L21 1JL,  
24th February 1976.

## LONDON AUSTRALIA INVESTMENT COMPANY LIMITED

(Incorporated in the Republic of South Africa.)

NOTICE IS HEREBY GIVEN that the TRANSFERABLE LOAN STOCK (1000/2005) of the Company will be redeemed on the 31st March 1976, both dates inclusive.

By Order of the Board,  
127, Dale Street, L21 1JL,  
24th February 1976.

## O. K. BAZAARS (1929) LIMITED

(Incorporated in the Republic of South Africa.)

NOTICE TO PREFERENCE SHAREHOLDERS  
NOTICE IS HEREBY GIVEN that the undermentioned half-yearly dividends have today been declared payable on the 31st March, 1976.

The Republic of South Africa, to all holders of the respective classes of shares registered in the books of the Company at the close of business on the 15th March, 1976.

1976: First Cumulative Preference Shares, Dividend No. 65—21%.

The holders of the above shares are entitled to 15% of the dividends where applicable. The registers of members will be closed in London from the 13th to 21st March, 1976, both dates inclusive, for the purpose of the payment of the above dividends.

Registered Office: O. K. BAZAARS, 10, Lombury, London, EC2P 2BP.  
E. J. PARNALL, Secretary.  
E. J. Parnall and President Streets, Johannesburg.  
London Registrars Limited,  
5, Greenock Place,  
London, SW1E 1PL.  
20th February, 1976.

## GOURMET

GALLIOLI RESTAURANT, 99 Old Broad Street, London, E.C.2.  
Dinner and dancing until 3 a.m. Cabaret and dancing until 5 a.m. Cabaret and dancing until 7 a.m. Cabaret and dancing until 9 a.m. Cabaret and dancing until 11 a.m. Cabaret and dancing until 1 p.m. Cabaret and dancing until 3 p.m. Cabaret and dancing until 5 p.m. Cabaret and dancing until 7 p.m. Cabaret and dancing until 9 p.m. Cabaret and dancing until 11 p.m. Cabaret and dancing until 1 a.m. Cabaret and dancing until 3 a.m. Cabaret and dancing until 5 a.m. Cabaret and dancing until 7 a.m. Cabaret and dancing until 9 a.m. Cabaret and dancing until 11 a.m. Cabaret and dancing until 1 p.m. Cabaret and dancing until 3 p.m. Cabaret and dancing until 5 p.m. Cabaret and dancing until 7 p.m. Cabaret and dancing until 9 p.m. Cabaret and dancing until 11 p.m. Cabaret and dancing until 1 a.m. Cabaret and dancing until 3 a.m. Cabaret and dancing until 5 a.m. Cabaret and dancing until 7 a.m. Cabaret and dancing until 9 a.m. Cabaret and dancing until 11 a.m. Cabaret and dancing until 1 p.m. 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## FINANCIAL TIMES SURVEY

Tuesday February 24 1976

## SCOTTISH BANKING and FINANCE

The Scottish financial community retained its confidence during the current recession in a way not shown by its counterparts in the City of London. Several factors have assisted but doubts remain about the underlying resilience of the local economy.

ONE consistent theme which distinguishes the Scottish financial community in its City of London counterparts these days, is its determined confidence about the future. With studied Scottish aplomb, Edinburgh does admit to a more visible downturn than the City, but it is not so far from the truth as it seems. The City's recovery is still in the City, however, one cannot entirely ignore the evidence of some of its stout performances in the clearing and secondary banking sectors, where profitability has frequently held up. Increased encouragingly, though this is undoubtedly a foundation for current confidence, what makes its persistence so remarkable is that it is against an almost unanimous opinion that the Scottish economy will lag, perhaps quite significantly, behind the rest of the country in reaching the bottom of its recession before a recovery.

There are a number of reasons for suggesting this. It seems probable, in the first place, that the major stimulus provided by new oil-related activities, has now largely been absorbed and may not be expected to generate much additional employment growth. The dearth of new capital equipment ordering by the offshore operators, which has been a characteristic of the North Sea business in the past 12 months, has had a serious effect on the current year, for example, on employment in the

yards constructing production platforms, and in the ancillary fabrication yards making modules.

In addition, the insulation provided by the traditional non-oil capital industries' lengthy order books, has now been stripped away. That work is being done quickly and from the prospect of substantial redundancies particularly in the

approaching this challenge in such good heart. There are, however, striking differences in some of the reasons offered for this confidence.

For some it has become intriguingly unfashionable to attribute it all to oil. It was the North Sea, of course, which turned the searchlight on Scotland about three years ago and which then led to a remarkable

business that seemed likely to many in the euphoric days of 1973: and the degree of spin-off to local industry and services has probably also been less marked and more short-term in its character than was anticipated. Not only has the steady stream of incomers now halted, but in some cases there has been retrenchment, and branches have closed.

optimistic about the resumption of growth by customers providing supply and support facilities for offshore operators. In addition, it has opened representative offices in New York and San Francisco from which it is developing a growing volume of business with the United States and, perhaps more important, an increasingly intimate knowledge of American industrial

financing and it is certain that much of the fundamental re-appraisal work on which it has been closely engaged with oil companies in the past year will shortly bear some fairly significant fruit.

The Clydesdale Bank, which serves as bank to all the platform construction companies, is naturally concerned about the dearth of orders for new offshore production equipment, and the likelihood that there may have been a substantial over-provision of building capacity, which will make it difficult if not impossible to maintain continuity of work at all established yards.

Quite apart from oil, there is evidence from some institutions that they are finding a gradual and positive change in the morale of Scottish industry.

One of the most energetic apostles of this view is Noble Grossart, the Edinburgh merchant bank which is itself only seven years old and which, with its 70 per cent profit rise in the past two years, reflects the young and aggressive image of the Scottish-managed companies it has tended to cultivate.

It regards the coming year as one of real opportunity for Scottish industry. This, coupled with the increased attention to the establishment of the professional Scottish affairs which will follow the construction, shipping, and engineering and instrument-making companies, have now weathered the storm of the financial institutions can use last two years rather better than their skills.

counterparts south of the Border, and have come through "fit and hungry."

The thought is echoed, too, by others in the same field—the recent arrival, County Bank (the merchant banking subsidiary of the National Westminster) and thrusting finance company of the Bank of Scotland (that bank's "merchant" arm which is now attempting to carve a separate identity for itself).

## Trend

This encouraging trend may, in fact, have been somewhat concealed by the vigorous activity generated through North Sea developments, but if it exists in any strength it is almost certain to be fostered further by government policies. The recent creation of the Scottish Development Agency was primarily aimed at redirecting the emphasis of regional development policies, away from their traditional heavy dependence on the attraction of mobile industry from other parts of the U.K. or abroad, and towards the modernisation and re-equipping of indigenous Scottish industry. This, coupled with the increased attention to the establishment of the professional Scottish affairs which will follow the construction, shipping, and engineering and instrument-making companies, have now weathered the storm of the financial institutions can use last two years rather better than their skills.

## Confidence persists

By Chris Baur, Scottish Correspondent

Clydesdale area during the late summer and autumn months ominously. Some of this may be balanced by the sharper reflexes of the consumer-based industries, reacting more quickly to an upturn in demand: but these industries are still seriously under-represented on the Scottish scene.

The year ahead, in other words, will severely test the validity of several of the perhaps rather cosy assumptions about the current new strength of the Scottish economy.

Against that background, it seems altogether gratifying that the financial sector should be

The sobering combination of opinion, which will be crucial in assessing the timing and strength of the next development cycle in the North Sea.

This applies as well to the Bank of Scotland which in many ways is even more confident about renewed activity in the North Sea. It has worked long and hard to raise the level of its expertise on energy projects financing, and now claims to have one of the largest oil divisions of any European bank (this includes a representative office in Houston, Texas). Its stake in the International Energy Bank has involved it closely in syndicated oilfield

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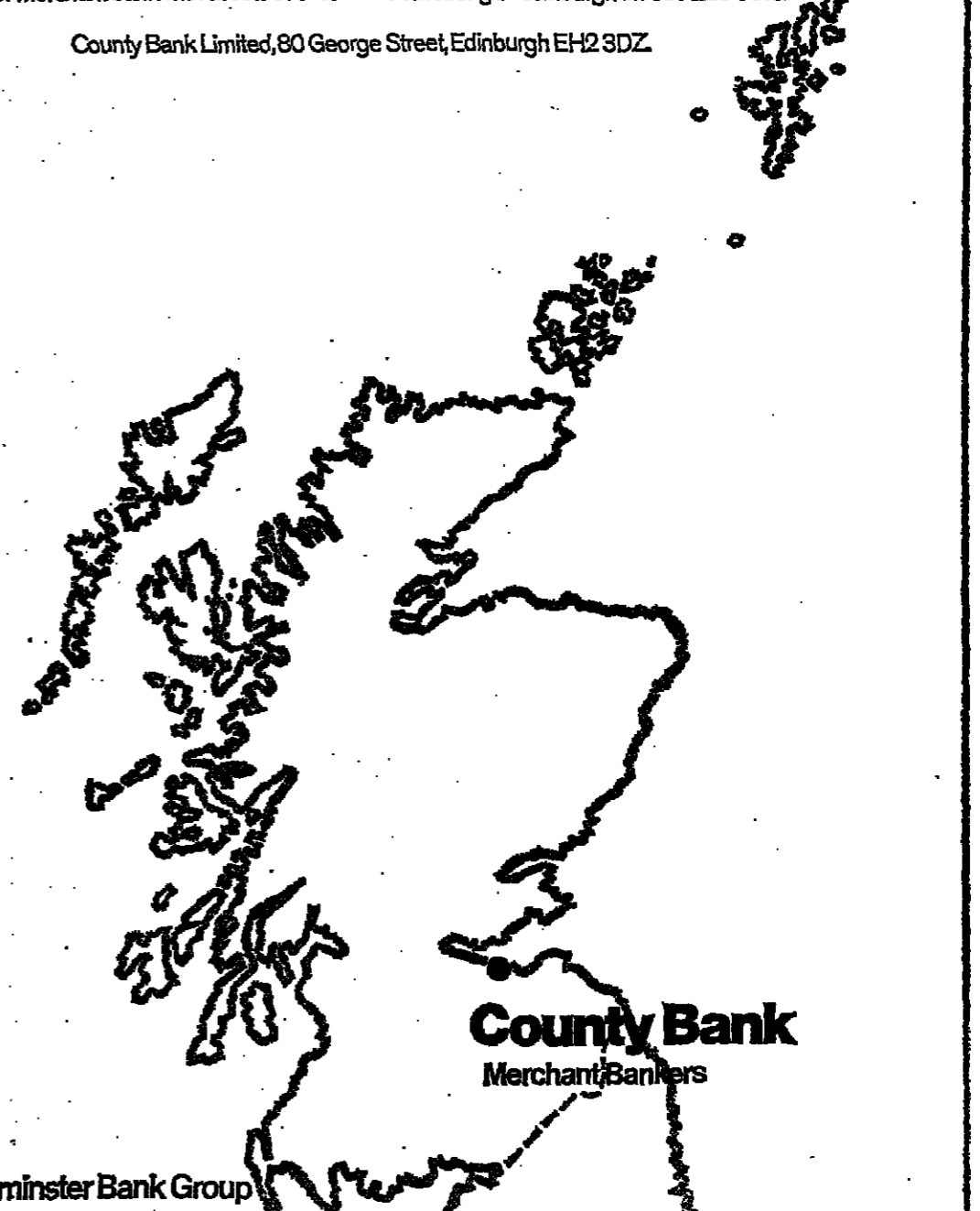
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## Big stake in fund management

THE EXPERTISE and flexibility required from managers of investment and unit trusts were fully tested in the past two traumatic years, what with a two-thirds drop in U.K. share prices, followed by a sharp recovery; soaring interest rates followed by the recent sharp drop; the crazy fluctuations in the dollar premium and foreign exchange rates, and the rest.

The Scottish financial community has a large stake in this sector, particularly in investment trusts whose net assets comprise between a third and a quarter of the U.K. total. Several well-known fund managers are located in Scotland, some managing both investment and unit trusts, though there are certain large trusts—the British Investments Trust is an outstanding example—which has its own Board and management.

Again some of the unit trusts such as Save and Prosper, Crescent and Lawson's, run a variety of linked trusts, ranging from life insurance to property. For example Save and Prosper which claims to manage funds of around £800m. for 700,000 people, offer a choice of 23 options to the investor, from broadly based unit trusts to specialist ones (U.S., Europe, Japan, Scotland), from house-purchase and retirement schemes to one covering school fees.

Save and Prosper stood the investment trust Atlantic Assets in good stead and compensated to some extent for Atlantic's more doubtful investments such as its share in the merchant bank Edward Bates and in the Singapore-based holding company Haw Par which it had acquired from Slater Walker not long before it became a subject of a local inquiry and which is now omitted from the valuation of its portfolio. It has been estimated that, even at the bottom of the market, Save and Prosper was worth to Atlantic nearly 13 times the original investment.

Incidentally, even Bates, whose share value plummeted last year, as losses of £15.2m. were declared (the bank has made a partial recovery since then), is, according to Atlantic's managers, Ivory and Sime, still worth the original £2m. for which it was bought five years ago.

Atlantic is, of course, an unusual trust in that the larger part of its portfolio comprises single major investments such as Bates, Haw Par and Save and Prosper. It has recovered to some extent from the trauma of the past two years, with pre-tax profits in the second half of 1975 up by nearly 80 per cent. compared with the same period in the previous year.

Generally, Scottish-based investment trusts, traditionally strongly orientated towards North America, were having to make frequent switches in their investment policies in an effort to at least try to maintain capital values while seeking to achieve a reasonable yield for the shareholders.

In 1974, dollar premiums helped to mitigate the effect of the collapse of U.K. stocks on incomes. At the same time, many trusts increased their liquidity to take advantage of soaring short-term interest rates, only to be caught in the following year by the sudden rise of equity values in the U.K. market and, often through postponing the evil hour, by having to pay inflated prices for stock.

During this period, too, many dollar loans were liquidated and U.K. or European stock bought with the repatriated cash. Some investment trusts, notably

Scottish United and Scottish Northern, met their needs for dollars by arranging (through merchant bankers Noble Grossart) a "reciprocal loan," the U.S. loan being financed by a company with a U.K. subsidiary which has in turn received a sterling loan from the trusts concerned. The cost of the dollar premium has thus been avoided.

As always, timing plays an important part in transactions, influenced by the prevailing interest rates in the countries concerned. It certainly did in the reciprocal loan deal.

While there was a certain temptation for both types of trust, investment and unit, to cash in on the London stock market boom—many of them shifted their U.K.-U.S. ratio back in favour of the former—over a longer period it is the ones which retained a substantial U.S. interest that seem to have come out on top.

As fund managers keep emphasising, the performance of trusts must be judged on a long-term basis rather than on the gains and losses appearing in six-monthly reports.

### Reduced

Talking of losses, Second British Assets has shown in its sharply reduced dividend—as forecast—last year's switch in policy, going all out for capital rather than income growth which the managers, Ivory and Sime, claim is in the interest of around 70 per cent. of shareholders.

Another 1975 forecast that we restored some of our U.K.

has come true concerns some of the Murray-Johnstone, Glasgow, trusts. Here Mr. Healey's last Budget has caused many of the shareholders to convert into Ordinary shares in preference to scrip which is now being taxed.

In the case of Second Great Northern this has meant nearly 75 per cent. of the "B" Ordinary shares (which qualify for a scrip issue equivalent to the dividend) being converted into Ordinary shares.

Second Great Northern was, incidentally, one of several Scottish trusts which had been caught out by switching from short-term deposits into equity on a fast-rising market and so earning a lower return on new investment.

The problems facing fund managers during the past two tumultuous years were summed up by Mr. David F. McCurrach, chairman of a leading investment trust, the Dundee-based Alliance Trust.

Mr. McCurrach was commenting last autumn on the 1974-75 results of Alliance's companion trust, Second Alliance: "As prospects have changed, we have altered the disposition of our funds and changed directions."

He said: "We had already reduced U.K. equities a year ago. With deepening crisis and rising inflation in Britain during the autumn of 1974, we sold our gilt-edged stocks, simultaneously increasing gold and liquidity and moving into German bonds and, early in 1975, into German equity, too."

During the spring (of 1975) we restored some of our U.K.

equities, participating in a large flow of rights. Finally, towards the end of the year, with world inflation we have lightened our holding; and with the financial disaster record had reduced liquidity, re to gilt-edged."

Certainly a lot of activity which not everyone would have even suggested certain fund managers in on an extended holiday (two years, their share—holders might ever benefited).

Most fund managers are keen if wary look at Sea oil and gas on which, in the view of active of a leading firm, is ably under-performed past two years. The sum of the SCOT-LSMO issue this month (described in detail in another article survey) might have a pointer, and a justification some trusts which have substantially, directly in exploration panies including SCOT Pict, Viking Oil or Clyde leum, all of which are Scottish based.

That opinion was held before Kuwait, Arabia and Iran cut their prices—not a happy on the more marginal fields North Sea. This shows a well how precarious life fund managers juggling volatile high-risk investments within already geared portfolios.

Andrew Har

## Merchant banks' active role

ONE OF the intriguing financial stories of recent weeks was the £76m. linked issue for part-financing the giant Ninian Field by two investment companies, London and Scottish Marine Oil Co. (LSMO) and Scottish Canadian Oil and Transportation Co. (SCOT).

The two companies are partners in the Ranger group and between them own about 9 per cent. of the Ninian Field. Not only do they have strong Scottish institutional support but the secretary to the two companies (which are likely to merge soon) is Scotland's newest merchant bank, the James Finlay Corporation. James Finlay's parent company, an old-established Clydesdale industrial holding company, is itself directly, and through a nominee, among the largest institutional shareholders of LSMO and SCOT.

Finlay, established in 1973 in Glasgow, and its seven-year-old Edinburgh competitor Noble Grossart, provide some of the evidence of the strong revival of secondary banking services in Scotland. Unlike Edward Bates, now back on the profits trail after disastrous losses in 1974, or the British Bank of Commerce, merged postponing the evil hour, by having to pay inflated prices for stock.

During this period, too, many dollar loans were liquidated and U.K. or European stock bought with the repatriated cash. Some investment trusts, notably

steadily extended its foothold in the oil industry.

Noble Grossart, set up in 1969 with strong Scottish institutional support, is still an unquoted company. With Mr. Angus Grossart, the managing director, and Sir Hugh Fraser, chairman of Scottish Universal Investments, by far the largest single shareholders. Capitalised at £7.2m. and with total assets of £20.4m., Noble Grossart

turned in a pre-tax profit of £730,568 for the year ended January 31, 1976, £122,000 up on the previous year and an increase of 72 per cent. over the two-year period. It is also strongly liquid, with more than half the total assets in cash or cash equivalent. Fully 85 per cent. of the liabilities are in deposit and current accounts.

### Involved

While strongly involved in North Sea oil activity, the bank, as Mr. Grossart pointed out in his annual statement earlier this month, had benefited from some of its international oil and gas clients outside the North Sea as well. (One of these is the Kuwait Investment Office whose £107m. St. Martins size, with individual Property, London, purchase in October 1974 was arranged by Noble Grossart.)

The bank's interests in North Sea oil development includes subsidiary North Sea Assets and Pict Investments set up last Petroleum, an onshore and off-shore investment company has so far taken equity

respectively, for both or it acts as an operator.

North Sea Assets, an unquoted company set up in 1974 with strong institutional support, produced a substantial tax profit of £2.84m. in 1975 on a committed investment of £23m. while Pict, so far £17m. in the red, has moved into profitability ing an oil strike off Atlantic.

North Sea Assets' spinners are its investment, Oceanering International, ing and marine service ships), the share in which fits more than offset the bankrupt Marine Oil try Repairs and the Theriot Offshore, another ship operator.

Pict participates along with four North Sea exp groups (a total of 14 and has equity in two companies which in turn interests in a further blocks.

Noble Grossart's own ment subsidiary supports Scottish companies of i ments ranging from £100 to £500,000.

Finlay also has a direct subsidiary, Scottish (North Sea Assets and Pict Investments set up last Petroleum, an onshore and off-shore investment company has so far taken equity

CONTINUED ON NEXT PAGE

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# Clearers in good shape

WHEN THE Bank of Scotland and the Clydesdale Bank declare their full-year results later this spring, they are expected to be an advance on the previous year's—as was the Royal Bank of Scotland's return last November. This is in marked contrast to the performance of the London clearing banks whose interim results had shown soft declines in profits. For the National Commercial Banking Group which includes a London clearer, Williams and Wynn's, as well as the Royal Bank, this meant a 10 per cent drop in overall pre-tax profits, even though the Royal Bank's operating profit was slightly up on the previous year's figure.

Although the Scottish banks are like the London clearers, involved in proportion to their resources in the Bank of England's "lifeline" operation of the secondary banking sector, they have emerged from the collapse of the property market in a good deal better shape. This is due partly to the violent fluctuations in property prices in Scotland compared with South East England, and also to the lower rate of commitment by the Scottish banks to the property sector.

An analysis of bank lending by the stockbrokers Wood, Kennedy and Co. indicates that in November 1975, just as the market was about to take a downward turn, the London clearers had 6.5 per cent of air lending in property as against only 5.1 per cent of the Scottish banks.

On the other hand, in times of high interest rates and accelerating inflation, the Scottish banks had a higher proportion of their deposits in interest-bearing deposit accounts compared with those of the London clearers which, at the height of competition for deposits in 1973, reduced the gap between the base rate and interest paid on deposit accounts as little as 1½ per cent.

The gap has, of course, been widening ever since and now stands at 4 per cent—5½ per cent interest on deposits against a base rate of 9½ per cent. Such a margin is obviously a profit margin particularly if lending is slow, at a present some-what sluggish because of the banks' funding of the Forth's Field, out a stake in a Scottish bank, economic recovery and lower

## Results

It is true that these results reflect a trend which had since taken a turn for the worse, at least for the purely clearing function. The Bank of Scotland's interim report in respect of the half-year ended just a month before the Royal's final accounts reveal the significance of its finance and merchant banking subsidiaries, Bank of Scotland Finance (which recently opened a branch in Glasgow) and North West Securities, in the bank's overall profitability.

Equally, the Royal Bank's 43 per cent holding in Lloyds and Scottish, "which almost alone among the major finance companies in the U.K. has continued to produce satisfactory results," according to Royal Bank chairman Mr. J. O. Blair-Cunynghame, has helped to offset the bank's falling profits share from associated companies, especially from Finance for Industry.

The North Sea oil operations have, in spite of the long hull in platform building orders (finance for the yards has been arranged almost exclusively by the Clydesdale Bank) meant continued expansion in the banks' activities.

As Mr. Blair-Cunynghame pointed out in his comments on the Royal Bank's annual accounts, North Sea activities presented opportunities to, among others, the marine and engineering industries which would otherwise have suffered more severely from the world-wide recession.

All three Scottish clearing banks have contributed to the first repayments for which were Barclays International and,

## BALANCES OF SCOTTISH CLEARING BANKS

JANUARY 21, 1976

	£m.	Total outstanding
<b>LIABILITIES</b>		
Notes in circulation	269.6	
Sterling deposits	2,443.4	
of which: Sight		951.5
Time		1,491.9
Foreign currency deposits	380.1	
<b>Total deposits</b>	<b>2,823.5</b>	
<b>Other liabilities</b>	<b>612.6</b>	
<b>Total liabilities</b>	<b>3,705.7</b>	
<b>ASSETS</b>		
<b>Sterling:</b>		
Notes, coin and balances with Bank of England	302.1	
Market loans	527.9	
Bills	156.7	
Special deposits with Bank of England	39.9	
Investments	238.6	
Advances	1,637.4	
of which: U.K. private sector		1,502.1
U.K. public sector		30.9
Overseas residents		104.4
Other sterling assets	409.7	
<b>Foreign currencies:</b>		
Market loans	107.6	
Advances	274.5	
of which: U.K. private sector		143.0
U.K. public sector		67.1
Overseas residents		64.3
Other foreign currency assets	11.3	
<b>TOTAL ASSETS</b>	<b>3,705.7</b>	
<b>Acceptances</b>	<b>30.9</b>	

Source: Committee of Scottish Clearing Bankers.

made on February 11. The Royal Bank is among the financial institutions participating in the loans for the Piper and Claymore fields. But it is the Bank of Scotland which, through its 15 per cent stake in the International Energy Bank, the joint leader of consortia which raised \$590m. for the financing of the two fields, has been more directly involved in oilfield development.

Altogether, the North Sea-related commitment of the Scottish clearing banks has been estimated at around £250m. or ten per cent of their total resources.

Not surprisingly some of their competitors have felt it necessary in recent years to put in a Scottish presence. The more recent arrivals include the National Westminster Bank, (the only London clearer with a stake in a Scottish bank), Barclays International and,

In a recent Radio Forth interview, Mr. Alex Dibbs, the bank's chief executive, acknowledged that North Sea activity was an important factor in the bank's decision to set up branches in Edinburgh and Glasgow, with the possibility of a third branch in Aberdeen.

"Principally, of course, we are following our existing customers," explained Mr. Dibbs. "We have around 400 corporate customers who are working directly or through subsidiaries in Scotland, and 14,000 private customers living and/or working in Scotland. We felt we had to follow these people and offer them our group services on the spot. Not to do so would be to offer these valuable accounts on a plate to our competitors," Mr. Dibbs added.

However, it seems unlikely that for ordinary retail bank operations, National Westminster, with two or even three branches, can compete with the 1,300 or so branches of its Scottish competitors scattered in the length and breadth of Scotland. This was tacitly admitted by Mr. Dibbs when he said that from the economic viability angle, "our marketing thrust will initially be aimed at the corporate sector."

There, National Westminster will be competing also with four American and two French banks as well as the Canadian Bank of Nova Scotia, established in Scotland since 1963 and now with branches in Glasgow, Edinburgh and Aberdeen. So will the Co-op Bank.

Another recent arrival in

Scotland is the Union Discount view, Mr. Alex Dibbs, the Company of London, the first City discount house to set up north of the border. The presence in Edinburgh, the principal financial centre in Scotland, of a bill broker, Mr. Michael Healy, has a significance in more ways than one.

## Recognition

It is a recognition of a growing banking sector, now covering all four London clearers (Clydesdale is wholly owned by Midland, Barclays has a 35 per cent stake in the Bank of Scotland, Lloyds a 16 per cent one in National Commercial) as well as several foreign banks, all of which may use the services provided by discount houses. These are, of course, also available to short-term investors interested in outlets such as certificates of deposit, commercial, local authority and Treasury bills and bonds. Discounting bills of exchange should, moreover, help in financing Scottish industry.

Scottish banks have often been accused of being too cautious, safety-minded and even niggardly towards industry. The reality is that the relatively low rate of advances to industry, it was only 22 per cent of total lending last autumn, was due as much to industry's unwillingness to borrow as to the banks' caution, which in turn seems to have been partly justified by the steeply rising number of bankruptcies.

As one leading Scottish bank executive pointed out: "There is plenty of money about for the right chap." Who the "right chap" is and what his specifications are, depend of course, on the lender's judgment.

A.H.

## Scottish Development Agency

The Scottish Development Agency was created to channel management, technical expertise and finance for industry in Scotland.

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Scottish Development Agency  
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Glasgow G2 3LA. Telephone: 041-332 7234



Bank Street, Edinburgh, with the offices of the Royal Bank of Scotland on the left.

## Merchant

CONTINUED FROM PREVIOUS PAGE

dated companies, a total investment of £250,000. Scottish Bank has an approved list of £18m., suggesting a larger commitment in the future.

The Noble Grossart has up now stayed out of the management business, is managing an investment trust as well as pension, insurance and private.

The bank expects a dividend in 1975 on 1974 pre-tax profit of £100 when total assets stood at £17.7m.

Scotland's third domestic bank, rather smaller than the Noble Grossart, is the Noble Grossart, which in turn is a subsidiary of Dalton & Co. before being bought in by a number of Scottish banks and converted into a joint investment bank.

## Issues

ward Bates, floated by the Edinburgh investment manager and since in December 1972, with one of its subsidiaries, Atlantic Assets, a major shareholder, has many ups and downs in its history. Losses on its investments and on the purchase of the life company, Welfare Insurance, led in a deficit of £15.4m. in a year ended March 31, and a more than £90m. in the bank's assets to date.

Recently the bank seems to have turned the corner following the major managerial

changes and a new large shareholder, a Middle East (mainly Saudi Arabian) consortium which now holds nearly 25 per cent of the equity, with an option to a further 15 per cent.

The latest interim report for the half-year ended September 30, 1975, showed a pre-tax profit of almost £800,000 which has been attributed by the Board mainly to its Arab link and the clean-out of loss-makers, including the sale at a nominal price of Welfare Insurance.

Although Bates still manages a North Sea offshore investment company, Viking Oil, it is based on London and has, partly as a result of Atlantic Assets' reducing holdings, loosened its Scottish ties. On the other hand, the British Bank of Commerce has continued to operate from a Glasgow headquarters even though part of the National and Grindlays group.

Strong competition to the Scottish-based merchant banks comes from branch offices of the London merchant banks which include Singer and has about 10 per cent of its funds located in Scotland and a local merchant banking subsidiary, Scottish Industrial Finance.

While North Sea oil certainly confirmed the appearance of a stimulus to the further expansion of Scottish financial services, Scottish industry had already assumed an increasingly international character which in turn led to the establishment of North American and French branches offices and to the growth of competition in merchant banking.

A.H.

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# The public sector

WITH THE intensification of locally-managed and flexible development policies during the last decade and a half, there has been a steady growth and diversification of public sector financial aids available to industry which is either expanding in or moving to Scotland. Much of the administrative and promotional machinery associated with this aid in Scotland has recently undergone a substantial reorganisation, aimed at attempting to stimulate industrial growth. Allocated a budget of £200m. with a further £100m. "on call" over five years, it has three main functions: first it assumes responsibility for environmental improvement and the clearance of derelict industrial land, a task formerly undertaken by local authorities but funded largely by central government; second, it absorbs the former Scottish Industrial Estates Corporation, which has operated successfully for more than 30 years as the Govern-

ment's organisation for providing advance and custom-built factories; third, it has what is loosely called a "merchant banking" remit, under which it is empowered to generate investment through commercial loans, equity participation, acquisition or enterprise on its own behalf. The Agency will require some astute and politically-sensitive management. It is, for example, under strong pressure to engage in an instant frenzy of activity because of Scotland's rising unemployment. It has chosen to resist this. It has wisely identified the Clyde-side region's intractable problems of manufacturing decline and urban decay as its major (indeed, almost exclusive) task. But it has deliberately discouraged the view that it should embark on anything other than a measured and long-term modernisation of indigenous industry.

There are a number of reasons why it should be so cautious. In the first place, it has tended to be rather over-sold by Ministers who have been anxious for it to be regarded in Scotland as a keen Westminster initiative on the industrial front which would perhaps counteract much of the current public obsession with the devolution of actual power from Westminster to a Scottish Assembly. Almost inevitably, though, the SDA's accountability has become a subject of some controversy. The Government's own proposals for a Scottish Assembly unsatisfactorily suggest splitting the SDA's functions between the

Secretary of State for Scotland (who would retain responsibility for its important investment-generating role) and the Assembly (which would be given responsibility for its less contentious environmental and factory-building functions). The Minister and the Assembly would each appoint half the SDA's Board.

On the credit side, the SDA certainly enjoys a much more widespread acceptance in the Scottish industrial and commercial community than seems to be the case with its senior partner, the National Enterprise Board. This may be not only because of its wider and less specifically interventionist remit, but also, conversely, because regional development policies have in any case conditioned much of Scottish industry to expect a marked degree of Government involvement in their business.

Nevertheless, these early controversies about the Agency's ultimate accountability, and its immediate budget, means its affairs need to be firmly handled from the outset. Several of its senior members assume, for example, that given the political capital which hangs on its success, the Government is scarcely likely to starve it of funds. A good deal of importance will therefore attach to the schemes it chooses to initiate, and how these are regarded by Government, either in terms of employment growth or manufacturing modernisation. One of the first major schemes in which it is likely to play a key role is the Scottish Office-British Steel Corporation plan for a comprehensive redevelopment of the derelict Cambuslang area on the outskirts of Glasgow. This will provide alternative jobs for redundant steelmen.

In the meantime, the SDA

has been able to get some immediate "cash flow" by taking over the Scottish Industrial Estates Corporation. It has some 17 unallocated advance factories (14 in West Central Scotland) which are either completed or under construction. An additional 26 have still to be built, and there is 1.5m. square feet of vacant factory space to let.

There is, of course, a junior partner for the SDA, whose existence is sometimes overlooked, but whose ten years of operation has provided valuable experience in designing the larger organisation. It is the Highlands and Islands Development Board, operating from Inverness. The Board exercises many of the powers now also given to the SDA—it may build factories for lease, and can take equity in companies (it actually has a modest portfolio of minority investments in more than a dozen companies).

The Board can give assistance by way of grant and loan, often at rates which are marginally more attractive than those available in other development areas. In the years since it was established in 1965, the HIDB has approved grant, loan and equity assistance of £21.8m. for over 3,000 projects, with private investment accounting for a further £28m. The bulk of the finance has been directed towards the expansion and establishment of indigenous enterprises, now, the OSO is responsible for raising the U.K. industry of the North Sea oil, for equipment and services recently demonstrated that of its access to industrial assistance by arranging convertible loan for an offshore operator, the last two of fleet of 12 tug-supply had to be refinanced the builder went into ship.

The operations of the Highland Board foreshadowed the establishment of the Scottish Development Agency: the creation of the SDA, in its turn, precipitated important changes in the administration of regional development policy in Scotland. The Scottish Office, which under the government's devolution proposals will shortly

## Inherited

These functions have inherited by the new Industrial Development Division, Glasgow, within the created Scottish Economic Development Department of the Office. The IDD, as handling the disbursement selective assistance, also with industry's local queries (more than 15 p down on last year) and agent for the Department of Industry in administering special categories of aid at rates which are marginally more attractive than those available in other development areas. In the years since it was established in 1965, the HIDB has approved grant, loan and equity assistance of £21.8m. for over 3,000 projects, with private investment accounting for a further £28m. The bulk of the finance has been directed towards the expansion and establishment of indigenous enterprises, now, the OSO is responsible for raising the U.K. industry of the North Sea oil, for equipment and services recently demonstrated that of its access to industrial assistance by arranging convertible loan for an offshore operator, the last two of fleet of 12 tug-supply had to be refinanced the builder went into ship.

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## Solution

In practical terms, this solution represents the worst of both worlds for the Agency. In political terms, it has merely fed the demand that the SDA should be transferred wholly to the Assembly as part of the devolution package, as the means of giving the Assembly its only formal executive function in the industrial and economic field. Pressed first by the Scottish Nationalists, this theme has been taken up by some trade unions and most recently (in a significant conversion) by the Labour Party's Scottish leadership. There is also a second argument smouldering away about the adequacy of the SDA's budget. The trade unions in particular (as the original promoters of the SDA concept) now appear to be increasingly restless about the composition of the global £300m. allocation. The fact is that once allowance is made for the planned doubling of land clearance work and public sector factory building programmes, which could easily have been accomplished through existing agencies, very little is likely to be left for what is

SAVING FOR a rainy—or sunny—day is a natural human instinct whose quirks are of considerable significance not only for the individual but also for the economy and society as a whole. In 1950, with the memory of sparse war years still fresh, Britons saved less than 2 per cent. of their incomes; by 1974, partly through growing prosperity, the proportion had risen to 10 per cent or a substantial £7bn. The trend has held up well since in spite of last year's bout of inflation.

The biggest outlets for savers are life insurance, pension funds and building societies, each of which attracted funds of around £2bn. in the first half of last year, partly at the expense of stocks and shares which, not surprisingly after the collapse of the stock market in 1973, dropped by over £1.1bn. in value.

Scotland is well represented in the life sector—the biggest mutual, Edinburgh-based Standard Life, is also the third

largest manager of pension funds—and is the home of one of the leading U.K. "composite" insurance companies, General Accident. The four regional trustee savings banks formed by the amalgamation of 17 smaller banks following the recommendations of the Page Committee command nearly 18 per cent of all TSB funds in Britain. On the other hand, the building society sector is relatively weak and is dominated by the big U.K. societies, with domestic societies holding less than 10 per cent. of total funds in Scotland.

A survey on personal savings published recently illustrates graphically the differences in Scottish and English saving habits. Only 18.3 per cent. of the Scots interviewed had a bank current account compared with 33.3 per cent. in the U.K. as a whole and 9 per cent. had a share in a building society (22.8 per cent. in the U.K.). On the other hand, 22 per cent. had a bank deposit account (19.4

per cent.); 14.1 per cent. a TSB ordinary account (11.6 per cent.); 34 per cent. had life insurance (26.4 per cent.) and 10.1 per cent. a linked life insurance (8.7 per cent.). Scots also invested less directly in the risk-bearing funds such as stocks and shares, investment and unit trusts and property bonds.

"Directly" is the operative word as the institutional investors, except for the building societies, hold much of their funds in stocks and shares which is the main reason why the total assets of the nine Scottish life companies declined from £2.6bn. in 1973 to £2.26bn. in 1974. They recouped much of the loss in the stock market recovery of last year; but in any case, as Mr. T. N. Risk, chairman of Standard Life, pointed out, "what concerns us is not the level of Stock Exchange prices on a given day but the income produced by our investments and the security of the underlying capital. We are

bound to take a much longer view than the Stock Exchange which tends to exaggerate the importance of good news and bad news alike."

Mr. Risk's comment that Standard Life had faced the drop in the market value of its assets with "comparative equanimity" was amply justified by the 1975 results of not only his company but those of the other leading mutuals. Sums assured by Standard Life were up by £260m. to £1,082m.; Scottish Widows' by £150.5m. to £260m.; Scottish Provident's by £90m. to £350m.; Scottish Life's by £37m. to £223m.

Standard's ordinary life business rose by £160m. last year to £737m. and group life business by £80m. to £244m. It also claims to have paid out an average of 96.7 per cent. of the maturity values under two endowment assurances over the nine surveys of the life insurance industry carried out by The Economist between 1950 and 1975, the highest of any office.

This shows that Standard Life and Scottish Widows were among the top four in respect of with-profit maturity values after 25 years in all of the nine surveys; Standard Life was among the top three in all of the eight surveys in respect of with-profits claim values after 40 years—first or second in the last five—while Scottish Widows was top in the 1975 survey and second in the previous three.

As already indicated, Standard Life is prominent in the pension funds sector, too, with total funds of around £500m. (£300m. in Britain, the rest in Canada where a substantial proportion of the company's business is located). The British share is estimated to account for about 5 per cent. of U.K. pension funds, or for about 10 per cent. in the private sector alone.

## Consultants

Scottish companies also figure high in the life equity funds and mixed funds sectors. According to a recent survey carried out by the pensions consultants, Harris Graham, Scottish Mutual was the third best performer among life equity funds while Scottish Amicable led the mixed funds, with two-Scottish Widows Funds third and fourth respectively.

Other forms of inflation-proofing, such as unit-linked schemes or policies with built-in annual increases in the family income have been introduced by certain Scottish life companies. The latter is featured by one of the smaller companies, Scottish Equitable, while Scottish Amicable, (one sent) this spring. All of the top three in Scotland, is now on the second series of its unit-linked policies. Standard Life has abandoned its unit-linked scheme because (an executive says) of apparent lack of enthusiasm among its customers.

Insurance companies, as much as pension funds, have to draw a careful balance in their investment policy between maximum reward and security for the policyholder, known in

the trade as "matching" distinctly cool reception by the Scottish life co. and pension fund managers. The Bank of England Equity Investments (EIL), a relatively £50m. initial capital proof not only of their Government of institution but also the involvement in a scheme which or may not pass the commercial viability.

## Launched

For all that, General and the Scottish have figured prominently in institutional support for Sea offshore operations. From the Field consortium to the rather novel Ninian Field exercise launched two investment co. LSMO and SCOT, and exploration companies, Pict Petroleum, Cab Clyde Petroleum and Oil. (Further details)

Scottish institutional for North Sea oil developments in other in this survey). Income other investments help set General Accident last year, particularly insurance sectors.

As already indicated, ing society activity in is well below the U.K. due to some extent lessening but still preference of Scots to local authority rented. The domination of the societies is underlined fact that even the domestic one, the Dun Building Society, has only a fraction of the in Scotland by leading such as Nationwide, Alliance, etc.

On the other hand, cent streamlining of savings banks and their ture from the "mutual force" in Scottish bank. Although even the is the four Scottish region, the West of Scotland Savings Bank, has been carried out by the pensions at £300m., are well unit consultants, Harris Graham, of the smallest of Scottish clearing bank best performer among life in an area containing Amicable led the mixed funds, Scotland's total popula provides increas petition to the clearing for deposits. (The other Scottish regional Tayside, South of Scot in annual increases in the family income have been introduced by certain Scottish life companies. The latter is the near future by a featured by one of the smaller companies, Scottish Equitable, (not a recognised TSB while Scottish Amicable, one sent) this spring. All of the top three in Scotland, is now on the second series of its unit-linked policies. Standard Life has abandoned its unit-linked scheme because (an executive says) of apparent lack of enthusiasm among its customers.

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# Church hardens its policy on South Africa

BY LORNE SARLING

THE CHURCH Commissioners yesterday adopted a new and more aggressive stance against loans to the South African government by institutions in which the Church of England has money invested.

The Commissioners said that if necessary they would support a motion at the annual meeting of the Midland Bank which calls for no further loans to the South African Government, its departments, agencies or state corporations.

They have not supported joint shareholder action in the past, although opposed to direct lending of this kind. They now feel that their views should be stated publicly "as a matter of Christian conscience, not politics."

They had been uneasy about the Midland Bank's lending for the last two years and had made their views known to its management.

General policy was not to invest directly in companies operating wholly or mainly in South Africa, and although the Midland's involvement there was minimal, it was felt that funds should not give support to "an undemocratically elected, discriminatory regime."

The resolution, to be tabled by the anti-apartheid group on the End Loans to Southern Africa, will receive the Commissioners' support if it evokes a satisfactory response from the bank and if carried to a vote.

The Commissioners added that they intended to retain the policy of exercising their influence in these matters privately rather than through joint action, but would make an exception in this case.

The Midland, which has an 18 per cent share in the Standard Chartered Group in South Africa, but no branches, said that its overall investment there was very small. It would provide no details of loans.

We believe that we should follow normal banking principles and that we should not allow ourselves to be influenced by opinions expressed on account of borrowers outside the commercial field.

We look to the Government of the day and the property constituted monetary authorities to consider such opinions and to decide whether to introduce legislation or to give us directives in other constitutional ways.

The group did business all over the world with organisations and governments, but if it was influenced by political views—favourable or unfavourable to a particular Government—an international business would become impossible.

In our view our right and proper course is to observe a strict political neutrality in all our dealings, subject only to any relevant U.K. legislation," the bank said.

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Controlling director of profitable engineering business considering production by sub-contract. Turnover £350,000. Good order position. Principals only, write Box E.7478, Financial Times, 10, Cannon Street, EC4P 4BY.

### WINE COMPANY WANTED

with substantial turnover, primarily in southern England. Ready to sell and importing businesses all considered. We are principals and will treat enquiries in the strictest confidence. Write Box E.7476, Financial Times, 10, Cannon Street, EC4P 4BY.

### A BARGAIN PROPOSED DEVELOPMENT COMPANY

£25,000 p.a. income on 4 commercial investment plots. Distant Tax Loss £250,000. Fully indexed accounts. Offer invited for the company or its individual properties.

Write Box E.7477, Financial Times, 10, Cannon Street, EC4P 4BY.

### BRITISH COMPANY SEEKS ADDITIONAL PRODUCTS

to sell through our world-wide organisation steadily handling our own manufactured range of light electrical engineering and control products.

Interested companies with compatible products are invited to send details to Box E.7475, Financial Times, 10, Cannon Street, EC4P 4BY.

### EXPANDING SALES OFFICE

In Milton Keynes area near M.1, with 12 premises, direct salesmen, seeks additional company representation or agency.

Write Box E.7474, Financial Times, 10, Cannon Street, EC4P 4BY.

### ELECTRONICS GROUP

with profits of £23,000 seeks additional capital to expand existing and new projects in industrial and consumer markets. Potential for earning up to £150,000 profits in current financial year with right investment equity participation offered.

Reply Box E.7473, Financial Times, 10, Cannon Street, EC4P 4BY.

### EX-1 WEEK FOR EC2 address or phone

search. Combined rates of £100 under £25. See Box E.7472, Financial Times, 10, Cannon Street, EC4P 4BY.

### CASH FLOW PROBLEMS?

Convert your cash flow into a steady stream of income with confidence. Risk free 20% return for further details.

Write Box E.7471, Financial Times, 10, Cannon Street, EC4P 4BY.

### EXPORT AGENTS REQUIRED

New glass tiles, floor, wall, ceiling, bathroom, kitchen, swimming pool, etc. Write Box E.7470, Financial Times, 10, Cannon Street, EC4P 4BY.

### TALENTED PEOPLE

at shop prices. Homebased sales. Practice Shirts, 0119 419 0100. 0119 419 0101. 0119 419 0102. 0119 419 0103. 0119 419 0104. 0119 419 0105. 0119 419 0106. 0119 419 0107. 0119 419 0108. 0119 419 0109. 0119 419 0110. 0119 419 0111. 0119 419 0112. 0119 419 0113. 0119 419 0114. 0119 419 0115. 0119 419 0116. 0119 419 0117. 0119 419 0118. 0119 419 0119. 0119 419 0120. 0119 419 0121. 0119 419 0122. 0119 419 0123. 0119 419 0124. 0119 419 0125. 0119 419 0126. 0119 419 0127. 0119 419 0128. 0119 419 0129. 0119 419 0130. 0119 419 0131. 0119 419 0132. 0119 419 0133. 0119 419 0134. 0119 419 0135. 0119 419 0136. 0119 419 0137. 0119 419 0138. 0119 419 0139. 0119 419 0140. 0119 419 0141. 0119 419 0142. 0119 419 0143. 0119 419 0144. 0119 419 0145. 0119 419 0146. 0119 419 0147. 0119 419 0148. 0119 419 0149. 0119 419 0150. 0119 419 0151. 0119 419 0152. 0119 419 0153. 0119 419 0154. 0119 419 0155. 0119 419 0156. 0119 419 0157. 0119 419 0158. 0119 419 0159. 0119 419 0160. 0119 419 0161. 0119 419 0162. 0119 419 0163.

## WALL STREET + OVERSEAS MARKETS

## FOREIGN EXCHANGES

## Index reacts 2.52 on profit taking Lira declines

## BY OUR WALL STREET CORRESPONDENT

PROFIT-TAKING halted the recent advance on Wall Street to day, and prices turned mildly lower following last week's boom conditions. The close was above the worst.

After reacting 3.38 to 981.42, the Dow Jones Industrial Average partially recovered to 985.28, for a net loss of 2.52. The NYSE was off 22 cents to \$54.38, while declines led gains by 881-to-883.

Trading was active at 31.4th shares, although down 13.08m from the all-time record of 44.31m, recorded last Friday.

Investors continued to appear satisfied with the outlook for improving profits, stable interest rates and a moderate pace of inflation.

Heavily traded Firestone Tire and Rubber sold 31 1/2 to \$24.4.

Ponderosa System gave way \$1 1/2 to \$12 1/2, after a report by the quarterly earnings of 40 cents a share.

Eastman Kodak fell \$1 to \$110 1/2, after a report by the quarterly earnings of 40 cents a share.

Northrop eased \$1 to \$253 1/2, after a report by the quarterly earnings of 40 cents a share.

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## OTHER MARKETS

PARIS—French shares continued their advance in active trading, reflecting a report by the Paris Chamber of Commerce that industrial activity was accelerating.

All sectors improved to some degree, although there were signs of irregularity in Oils and Construction.

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## FARMING AND RAW MATERIALS

### Wheat pact extended by 2 years

THE INTERNATIONAL Wheat agreement has been extended for a further two years to end-June 1978, the International Wheat Council (IWC) said yesterday.

The pact was agreed at talks in London last week attended by delegates from 34 member countries and observers from the E.C., GATT, UNCTAD and the World Food Programme.

During the talks, it was agreed that a progress report on the international arrangement to replace the present agreement, which was originally due to expire on June 30, 1974 and subsequently extended for two years, should be made at a Commission in June.

The present agreement, started in 1971, includes both the export and food aid conditions. It was a two-year extension must be signed by eligible Governments between March 17 and 31.

Following this, a conference of governments will be held at the end of June to determine the requirements for a new agreement to enter fully into force on 1 July.

### Record U.K. farm exports

Our Commodities Staff reports that U.K. farm exports of agricultural products rose by 10 per cent, to a record £1,297m. in January.

The figures accounted for an increase in the value of exports of agricultural products to £1,297m. in January, compared with £1,172.6m. in December.

A main part of the rise in exports was accounted for by increases in the value of exports of cereals, oilseeds, and livestock products, which rose from £1,172.6m. in December to £1,297m. in January.

The value of exports of cereals rose by 10 per cent, to £1,172.6m. in January, compared with £1,066.5m. in December.

The value of exports of oilseeds rose by 10 per cent, to £1,172.6m. in January, compared with £1,066.5m. in December.

The value of exports of livestock products rose by 10 per cent, to £1,172.6m. in January, compared with £1,066.5m. in December.

### ALUMINIUM OUTPUT UP

International Aluminium Ltd. said its members produced 1,000,000 tonnes of primary aluminium in January, compared with 911,000 tonnes in December and 791,000 tonnes in January 1975.

The company said that production was up from 911,000 tonnes in December to 1,000,000 tonnes in January.

The company said that production was up from 791,000 tonnes in January 1975 to 1,000,000 tonnes in January.

### Copper price advance slowed down

By JOHN EDWARDS, COMMODITIES EDITOR

PROFIT-TAKING sales, and the early suspension of trading on the New York copper market following a bomb scare, halted what looked to be a strong advance in copper prices on the London Metal Exchange yesterday.

Encouraged by the first fall in warehouse stocks for 19 weeks, and a strong tone in the New York market on Friday night, copper prices in London rose in early trading with three months wirebars reaching \$642 a tonne at one stage.

But the steam went out of the market in later trading and three months wirebars ended only \$3.50 higher on Friday's close at \$638.25 and cash wirebars \$3 up at \$635.25.

The unexpected early closure of Comex (the New York copper exchange) because of bomb threats, undoubtedly was the influence in London since much of the recent buying interest, especially from speculators, has been generated from the U.S.

At the same time, however, many dealers were already warning that the recent rise in values would make the market vulnerable to profit-taking at the higher levels.

Nevertheless, the general undertone remains fairly "bullish" at present. The fall in warehouse stocks, down by 2,900 tonnes cutting the total holdings to 522,525 tonnes, is certainly more encouraging to the "bulls" than the steady rise since last October.

Prior to that stocks had increased for 19 weeks in succession, and it remains to be seen whether there is a definite change in the direction of stocks or whether the decline is a "one week wonder" as happened in October.

### Suggestion

Much may depend on the situation in Africa, and whether exports from Zambia and Zaïre can be restored to more normal levels following the virtual end of the Angolan war.

The suggestion is that it will be some time before copper shipments can be carried on the Benguela railway, even if political differences can be resolved.

Meanwhile the other equally potent influence in the market is the prospects for better demand as a result of improved business.

Fresh rumours of a possible

rise in U.S. domestic activity, particularly in the U.S. producer price of copper, were triggered off by Copper Range announcing it had switched back from buying its domestic prices on Comex quotations to an established price of 63 cents a lb. in line with other U.S. copper producers.

A bigger than expected rise in tin stocks, up by 170 tonnes to a total of 7,340 tonnes, halted the upward trend in tin prices too. Standard grade cash tin lost \$3.50 to \$2,525 a tonne, after rising by over \$50 on Friday.

Although the Straits tin price in Penang ended the week-end nearly \$107 higher at over \$2,012 a picul it had fallen from over \$2,100 reached on Saturday.

This downturn, coupled with the stocks rising by more than double market for tin, encouraged profit-taking.

But again the undertone remains firm for the moment at least.

A fall of \$75 tonnes to \$7,800 tonnes of tin stocks was a bigger decline than anticipated and helped to maintain the upward trend in prices, especially as there was continued trade buying interest. As expected zinc rose by \$10 to \$2,000 a tonne. LME silver holdings fell by 60,000 to 15,510,000 ounces.

### Dairy fears on 'tied' cottage ban

By JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

DAIRY FARMERS in the south-eastern and southern regions of England are convinced that the abolition of the "tied cottage" proposed by the Government would mean a marked reduction in the output of milk unless accommodation could be provided for dairy workers within fairly close proximity to their farms.

Those in the west and north-west areas of England and Wales would not be so badly affected because farming there relies to a much greater extent on family labour.

This is the result of a survey into dairy farmers' attitudes to the abolition of "tied" accommodation carried out by Miss Ruth Gasson of the Department of Land Economy at Cambridge University.

The greatest anxiety was found among the owners of large farms in the south-east where they were almost entirely dependent on hired labour. Owners of these farms also claimed that it was essential for a substantial proportion of their workers to live near their premises so that they could be called on for emergencies.

In these areas some 60 per cent of all milk production is dependent on workers in "tied" accommodation but in the far west only about one-fifth of a milk is so dependent. About 75 per cent of all dairy workers live in "tied" housing and produce some 30 per cent of overall milk production.

According to the survey about 10 per cent of all dairy workers leave their job every year. Most workers, however, remain in the great.

### Floods hit sheep herds

SYDNEY, Feb. 23.

IT IS NOT yet possible to estimate the number of sheep lost in floods in north-western New South Wales and south-western Queensland, reports Reuters. But wool trade and Agriculture Department sources said the number will run into many thousands.

They discounted London trade reports that the losses would exceed the 10m sheep lost in the most widespread floods in 1950 and said they will not remotely approach this figure.

In Moree, north-western New South Wales, the Stock Agents Association President, Mr. Bruce Tapscott, said that in the surrounding district could be as high as 75 per cent, on the worst-affected properties.

One property had a total loss of its 15,000 head flock. Fodder being air-dropped at the rate of 2,000 bales a day to surviving flocks still food-bound.

### Downturn in cocoa market

By Our Commodities Staff

COCOA PRICES on the London terminal market declined sharply yesterday and the May position closed \$10.75 lower at \$237.25 a tonne.

But with no significant fundamental factor influencing and in view of the fairly low volume traded, dealers were inclined to see the fall as an adjustment after the recent sharp rise. They think the underlying tone might still be mildly bullish.

Purchases of Ghana main crop cocoa for the 21st week of the season (ended February 19) were estimated by the Ghana Cocoa Marketing Board at 3,750 tons bringing the total so far to 378,041 tons against 358,485 after 21 weeks last year.

● Brazil's Central Bank is finalising a plan to allow coffee export firms to sell on the international coffee market, Mr. Camillo Calazans, president of the Brazilian Coffee Institute (IBC) said.

### Ceiling raised on brucellosis compensation

SHARP RISES in the maximum compensation payable for cattle slaughtered under the Government's brucellosis and tuberculosis eradication scheme will take effect from tomorrow.

In a written answer to a Parliamentary question, Mr. Gavin Strang, Parliamentary Secretary for Agriculture, said yesterday that maximum compensation on non-accredited cattle would go from \$2,500 to \$4,000 a head (based on 100 per cent of market value) while that for accredited animals would rise from \$180 to \$300 (based on 75 per cent of market value).

The present maximum rates were set in 1973 and the rises are designed to take account of the sharp increase in live cattle prices since then.

### Brazil not for producer cartels

BRASILIA, Feb. 23.

BRAZIL HAS told U.S. Secretary of State, Dr. Henry Kissinger, that it has decided not to join international producers cartels, according to U.S. officials.

Although the decision mainly affects iron ore, in two or three years' time it will also keep Brazil out of the bauxite producers' agreement.

Brazil exports 2m tons of iron ore a year to the U.S., 16 per cent of U.S. imports.

But instead of a 20 per cent

## Bumper crop problem for Bangladesh

GRAIN SUPPLIES

BY KEVIN RAFFERTY, ASIA CORRESPONDENT

FOR THE first time for many years Bangladesh is facing a bumper crop of rice. The population is 75m. tons at least, and many economists and statisticians have been spending quibbling over estimating Bangladesh's real foodgrain consumption.

It is a fruitless task because no one is sure exactly what the population is—though it is somewhere between 75m. and 80m. The experts usually end up by calculating that at 15.6 ounces of foodgrain per head per day, the foodgrain needs are 11.9m tons. If the population is 75m. and 12.7m tons if there are 80m. people.

How far even such a calculation helps the planners, the foodgrain importers or exporters, still less the hungry Bengali who are the beneficiaries of the foodgrain, is highly unequal and the average Bengali probably does not get 15.6 ounces a day (hardly a "fattening diet").

What can be said with certainty is that the monsoon was good and the main aman crop is a bumper one. The price of paddy has come planning down from taka 300 (100) a maund (\$22 lbs) a year ago to about the official procurement price of taka 72 a maund (equivalent to the 120 per cent of white rice). In some places the market price is higher.

The Government procurement price. The good harvest has strained storage capacity, and for that reason the Government has stopped its procurement drive. On the countryside, the people readily say that they have had a good harvest and almost all look well-fed.

By the autumn, though the home-grown food resources of Bangladesh will once more be under pressure as there is no way in which even the combined boro and aman crops can match the size of the aman.

What is encouraging is that the Government is beginning to deal with the

with some of the longer-term problems which have so far kept Bangladesh from getting within sight of foodgrain self-sufficiency.

### Complaint

It has launched a crash programme to repair about 200,000 tons of grain storage capacity, about one-fifth of Bangladesh's total capacity, which were damaged.

It has raised the ration prices of wheat and rice by about 50 per cent. Foreign aid donors have long complained that the subsidised ration prices of grain for city dwellers were merely a donation from the Government to the rural population. The Government, probably optimistically, this month also launched a campaign to persuade the well-off to surrender their ration cards and it claims some success.

In the countryside the Government has started a self-reliance programme, one object will be for villages and communities to make better use of existing facilities by sharing them. One of the problems of Bangladesh agriculture is that the rich men of the well-connected have tended to grab the benefits of new facilities for themselves.

If—and it is an optimistic if—the self-reliance campaign can succeed and if the country can make full use of existing facilities, the long-term food self-sufficiency should be attainable.

At the moment the average yield is only 15 maunds per acre. Though that is an improvement on the 1974-75 average of 14.4 maunds per acre for 1974-75. But in some places in Bangladesh 100 maunds have been obtained. Most experts think that an average of 40 for the whole country should be

### Wastage

If the Ministry is right, and if the aman turns out to be about 7m. tons, and if then the two other rice crops, the boro (spring) and aus (summer) turn out on target at 2.7m. and 2.8m. tons respectively, Bangladesh would then have produced 12.5m. tons of foodgrain in the year.

Allowing for wastage and for seed, net grain production would be about 10m. tons or about 1.5m. tons short of consumption needs, and slightly more than that would need to be imported to start building a buffer stock.

Some specialists would quarrel with the official figures, for

### Drought cuts Malaysian palm oil crop

WASHINGTON, Feb. 23.

SEVERAL MAJOR producers of palm oil in Malaysia have increased originally predicted 1976 production, their forecasts now range from an increase of more than 8 per cent to an unchanged or even slightly lower output than last year.

Mr. K. R. Sharma, acknowledged as the expert palm oil dealer in Malaysia, reports that so far this year mill production has been reduced only 5 to 6 per cent, because of water shortages, but that the situation is not as bad as views were echoed by senior officials of several major palm oil plantations in Malaysia, predicted the drought impact on production in the three and nine months from now.

## COMMODITY MARKET REPORTS AND PRICES

### WHEAT METALS

Commodity	Unit	Price
High Grade 2	£/ton	330.00
Standard 2	£/ton	325.00
Standard 3	£/ton	320.00
Standard 4	£/ton	315.00
Standard 5	£/ton	310.00
Standard 6	£/ton	305.00
Standard 7	£/ton	300.00
Standard 8	£/ton	295.00
Standard 9	£/ton	290.00
Standard 10	£/ton	285.00

### COFFEE

Commodity	Unit	Price
Arabica	£/ton	120.00
Robusta	£/ton	110.00
Arabica	£/ton	115.00
Robusta	£/ton	105.00
Arabica	£/ton	110.00
Robusta	£/ton	100.00
Arabica	£/ton	105.00
Robusta	£/ton	95.00
Arabica	£/ton	100.00
Robusta	£/ton	90.00

### PRICE CHANGES

Commodity	Unit	Price
Aluminium	£/ton	1,200.00
Copper	£/ton	1,500.00
Gold	£/ounce	380.00
Silver	£/ounce	15.00
Platinum	£/ounce	1,000.00
Palladium	£/ounce	800.00
Rhodium	£/ounce	1,200.00
Iridium	£/ounce	1,500.00
Osmium	£/ounce	1,800.00
Pt	£/ounce	2,000.00

### U.S. Markets

### Bomb scare hits Comex trading

Commodity	Unit	Price
Gold	£/ounce	380.00
Silver	£/ounce	15.00
Platinum	£/ounce	1,000.00
Palladium	£/ounce	800.00
Rhodium	£/ounce	1,200.00
Iridium	£/ounce	1,500.00
Osmium	£/ounce	1,800.00
Pt	£/ounce	2,000.00

If someone from Spencers tries to tell you that they are the best in their field, ask him to prove it.

Think about your feed supplement supplier. Why do you get that particular one?

Because you have for some time? You've never had a major problem? Anyway, you get on with them very well. And, when mess down to it, there's no difference between the various brands.

Are you sure there's no difference? Spencers believe that are best, and that there is a difference.

It's quite simple to prove. Give Spencers a call, and ask to prove it.

Then check and see how fast their technical man arrives, how knowledgeable he is. Can he solve your problem right now? Or does he have to refer back to Headquarters?

Can he give you up-to-the-minute raw material information, value checks, formulae recommendations and costings—right and there in your office. And all with an eye to help raising your productivity and your profitability.

You'll soon see that this is an everyday job for Spencers. For a start, Spencers' men are probably the most highly liked in their field.

Equipped with a radio-telephone link, each Spencers' man is with him a portable computer terminal. So the answers need are there in minutes, in your office, from the main point.

And it's important to remember that all Spencers' information and supplements are backed by Unilever's rich resources.

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Then check and see how fast their technical man arrives, how knowledgeable he is. Can he solve your problem right now? Or does he have to refer back to Headquarters?

Can he give you up-to-the-minute raw material information, value checks, formulae recommendations and costings—right and there in your office. And all with an eye to help raising your productivity and your profitability.

You'll soon see that this is an everyday job for Spencers. For a start, Spencers' men are probably the most highly liked in their field.

Equipped with a radio-telephone link, each Spencers' man is with him a portable computer terminal. So the answers need are there in minutes, in your office, from the main point.

And it's important to remember that all Spencers' information and supplements are backed by Unilever's rich resources.

So there is a difference. Spencers a call now and let them prove it.

Think about your feed supplement supplier. Why do you get that particular one?

Because you have for some time? You've never had a major problem? Anyway, you get on with them very well. And, when mess down to it, there's no difference between the various brands.

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## Widespread advance helped by revival in gilt-edged Share index up 8.3 at 400.2—Hoover good on results

made midway, York Trader closing 2 firmer at 28p and KEF 3p better at 36p. BSG continued to make progress in Garages, rising 2½ more to 23½. Other notable gains included Lex Service, 2 up at 36½, and Reulya, 3 higher at 83p.

Reports of State aid made little noticeable impact on the Paper/Printing sector, although the leaders did close harder. British Printing gained 2 to 49p and DRG were similarly dearer at 130p. In-

222 contrasting views. Newspapers had been on protesting, and up to 1972-73, but after a fresh peak in 1975-76 of 275p, and News International, which rose 7 to 165p. Home Counties picked up 4 to 31p and Morgan Grampian, in Pub- lishers' advanced a like amount to 83p.

### Oils follow upturn

Oils reflected the general up- turn and in a moderate trade established gains to 7. British Petroleum were that much higher at 350p, while Shell, 356p, after 358p, and Ultramar, 178p, gained 6 pence. Royal Dutch contrasted with a fall of 1 to 334t on the lower investment currency premium but cut 10p to 49p and LASHO/SCOT rallied 10 to 175p, but Canadians also succumbed to investment dollar influences and Sun Energy fell 40 to 655p, while Sunningdale lost 25 to 655p.

Press comment helped to stimulate interest in Properties, with a number of companies, on reasonable demand and retrieved a good portion of last week's losses. Land Securities, 184p, and HEPC, 34p, secured rises of 5 pence and 1p respectively to 189p and 41p, and British Land, 261p, both ended about 3 better. Towns and City Properties put the punt to 224p after Friday's heavy loss to 224p.

Elsewhere, after Properties, followed a Press recommendation with an improvement of 4 to 118p. Hammonson, A 365p, Berkeley 167p, and Great Portland Estates,

242p, all showed gains of around 6. Argyle Securities, after

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

## ACTIVE STOCKS

Stock	Denomina- tion	No. marks	Closing price (p)	Change on day	1975/56	
					high	low
ICI	£1	15	363½	+ 6	367	118
Shell Transport	25p	13	355	+ 6	402	118
"Rate"	25p	14	338	+ 7	377	184
Grand Met.	50p	13	83	+ 3	88	174
RTZ	25p	13	195	+ 9	211	80
GEC	25p	12	151	+ 5	162	51
Rayrolle Parsons	£1	12	124	+ 6	124	21
Barclays Bank	£1	11	315	+ 5	350	118
Cheban	25p	11	355	+ 7	339	116
BP	£1	11	590	+ 7	615	190
Marks & Spencer	25p	11	104	+ 4	128	474
P. & O. Deft.	£1	11	97½	+ 14	128	598
Burmah Oil	£1	10	49	+ 10	27	77
Courtauld	25p	10	161	+ 4	169	53
De Beers Deft.	R0.05	10	258	-12	335	161

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 165(1) (e).

[illegible]

Bank of England Minimum Lending Rate 9½ per cent. (from 10 per cent. in 1970)

Day-to-day credit was very short supply in the London money market yesterday and the authorities gave an exceptionally large amount of assistance by buying Treasury bills and Corporation bills from the Discount Bank.

With net take-up of Treasury bills to finance, an excess of revenue payments to the Treasury Government disbursements, and an increase in the note circulation.

Discount houses paid 24.9 per cent. for secured loans in the early part, and closing balances were taken at 24.9 per cent. in the inter-bank market overnight and the bank mandated 24.9 per cent. throughout.

Feb. 28 1976	Sterling Certificates of deposits	Interbank	Local Authority deposits	Local Auth. Negotiable bonds	Finance House deposits	Company deposits
Overnight	—	83-9	—	—	—	9-10
2 days noticed	—	—	84-8 1/2	—	—	—
7 days or 10 days noticed	—	83-9	85-9	—	—	—
One month	87 1/2-88	84-8 1/2	87-8 1/2	90-9	87-9 1/2	—
Three months	90-9 1/2	87-8 1/2	90-9	93-9	90-9 1/2	—
Six months	92-9 1/2	87-8	91-9 1/2	95-9	92-9 1/2	—
Nine months	93-9 1/2	91 1/2-92	91 1/2-92	95-9 1/2	94-9 1/2	—
One year	93-9 1/2	92-9 1/2	92-9 1/2	100-9 1/2	95-10 1/2	—
Two years	—	93-9 1/2	104-10 1/2	100-9 1/2	97-10 1/2	—
	—	—	112-11 1/2	—	—	—

\* Local authority and finance houses seven days' notice, others seven days' cash.  
 † Locally three years 112-11 1/2 per cent.; four years 124-12 1/2 per cent.; five years 124-12 1/2 per cent.; six years 124-12 1/2 per cent.; seven years 124-12 1/2 per cent.; eight years 124-12 1/2 per cent.; nine years 124-12 1/2 per cent.; ten years 124-12 1/2 per cent.; eleven years 124-12 1/2 per cent.; twelve years 124-12 1/2 per cent.; thirteen years 124-12 1/2 per cent.; fourteen years 124-12 1/2 per cent.; fifteen years 124-12 1/2 per cent.; sixteen years 124-12 1/2 per cent.; seventeen years 124-12 1/2 per cent.; eighteen years 124-12 1/2 per cent.; nineteen years 124-12 1/2 per cent.; twenty years 124-12 1/2 per cent.; twenty-one years 124-12 1/2 per cent.; twenty-two years 124-12 1/2 per cent.; twenty-three years 124-12 1/2 per cent.; twenty-four years 124-12 1/2 per cent.; twenty-five years 124-12 1/2 per cent.; twenty-six years 124-12 1/2 per cent.; twenty-seven years 124-12 1/2 per cent.; twenty-eight years 124-12 1/2 per cent.; twenty-nine years 124-12 1/2 per cent.; thirty years 124-12 1/2 per cent.; thirty-one years 124-12 1/2 per cent.; thirty-two years 124-12 1/2 per cent.; thirty-three years 124-12 1/2 per cent.; thirty-four years 124-12 1/2 per cent.; thirty-five years 124-12 1/2 per cent.; thirty-six years 124-12 1/2 per cent.; thirty-seven years 124-12 1/2 per cent.; thirty-eight years 124-12 1/2 per cent.; thirty-nine years 124-12 1/2 per cent.; forty years 124-12 1/2 per cent.; forty-one years 124-12 1/2 per cent.; forty-two years 124-12 1/2 per cent.; forty-three years 124-12 1/2 per cent.; forty-four years 124-12 1/2 per cent.; forty-five years 124-12 1/2 per cent.; forty-six years 124-12 1/2 per cent.; forty-seven years 124-12 1/2 per cent.; forty-eight years 124-12 1/2 per cent.; forty-nine years 124-12 1/2 per cent.; fifty years 124-12 1/2 per cent.; fifty-one years 124-12 1/2 per cent.; fifty-two years 124-12 1/2 per cent.; fifty-three years 124-12 1/2 per cent.; fifty-four years 124-12 1/2 per cent.; fifty-five years 124-12 1/2 per cent.; fifty-six years 124-12 1/2 per cent.; fifty-seven years 124-12 1/2 per cent.; fifty-eight years 124-12 1/2 per cent.; fifty-nine years 124-12 1/2 per cent.; sixty years 124-12 1/2 per cent.; sixty-one years 124-12 1/2 per cent.; sixty-two years 124-12 1/2 per cent.; sixty-three years 124-12 1/2 per cent.; sixty-four years 124-12 1/2 per cent.; sixty-five years 124-12 1/2 per cent.; sixty-six years 124-12 1/2 per cent.; sixty-seven years 124-12 1/2 per cent.; sixty-eight years 124-12 1/2 per cent.; sixty-nine years 124-12 1/2 per cent.; seventy years 124-12 1/2 per cent.; seventy-one years 124-12 1/2 per cent.; seventy-two years 124-12 1/2 per cent.; seventy-three years 124-12 1/2 per cent.; seventy-four years 124-12 1/2 per cent.; seventy-five years 124-12 1/2 per cent.; seventy-six years 124-12 1/2 per cent.; seventy-seven years 124-12 1/2 per cent.; seventy-eight years 124-12 1/2 per cent.; seventy-nine years 124-12 1/2 per cent.; eighty years 124-12 1/2 per cent.; eighty-one years 124-12 1/2 per cent.; eighty-two years 124-12 1/2 per cent.; eighty-three years 124-12 1/2 per cent.; eighty-four years 124-12 1/2 per cent.; eighty-five years 124-12 1/2 per cent.; eighty-six years 124-12 1/2 per cent.; eighty-seven years 124-12 1/2 per cent.; eighty-eight years 124-12 1/2 per cent.; eighty-nine years 124-12 1/2 per cent.; ninety years 124-12 1/2 per cent.; ninety-one years 124-12 1/2 per cent.; ninety-two years 124-12 1/2 per cent.; ninety-three years 124-12 1/2 per cent.; ninety-four years 124-12 1/2 per cent.; ninety-five years 124-12 1/2 per cent.; ninety-six years 124-12 1/2 per cent.; ninety-seven years 124-12 1/2 per cent.; ninety-eight years 124-12 1/2 per cent.; ninety-nine years 124-12 1/2 per cent.; one hundred years 124-12 1/2 per cent.; one hundred and one years 124-12 1/2 per cent.; one hundred and two years 124-12 1/2 per cent.; one hundred and three years 124-12 1/2 per cent.; one hundred and four years 124-12 1/2 per cent.; one hundred and five years 124-12 1/2 per cent.; one hundred and six years 124-12 1/2 per cent.; one hundred and seven years 124-12 1/2 per cent.; one hundred and eight years 124-12 1/2 per cent.; one hundred and nine years 124-12 1/2 per cent.; one hundred and ten years 124-12 1/2 per cent.; one hundred and eleven years 124-12 1/2 per cent.; one hundred and twelve years 124-12 1/2 per cent.; one hundred and thirteen years 124-12 1/2 per cent.; one hundred and fourteen years 124-12 1/2 per cent.; one hundred and fifteen years 124-12 1/2 per cent.; one hundred and sixteen years 124-12 1/2 per cent.; one hundred and seventeen years 124-12 1/2 per cent.; one hundred and eighteen years 124-12 1/2 per cent.; one hundred and nineteen years 124-12 1/2 per cent.; one hundred and twenty years 124-12 1/2 per cent.; one hundred and twenty-one years 124-12 1/2 per cent.; one hundred and twenty-two years 124-12 1/2 per cent.; one hundred and twenty-three years 124-12 1/2 per cent.; one hundred and twenty-four years 124-12 1/2 per cent.; one hundred and twenty-five years 124-12 1/2 per cent.; one hundred and twenty-six years 124-12 1/2 per cent.; one hundred and twenty-seven years 124-12 1/2 per cent.; one hundred and twenty-eight years 124-12 1/2 per cent.; one hundred and twenty-nine years 124-12 1/2 per cent.; one hundred and thirty years 124-12 1/2 per cent.; one hundred and thirty-one years 124-12 1/2 per cent.; one hundred and thirty-two years 124-12 1/2 per cent.; one hundred and thirty-three years 124-12 1/2 per cent.; one hundred and thirty-four years 124-12 1/2 per cent.; one hundred and thirty-five years 124-12 1/2 per cent.; one hundred and thirty-six years 124-12 1/2 per cent.; one hundred and thirty-seven years 124-12 1/2 per cent.; one hundred and thirty-eight years 124-12 1/2 per cent.; one hundred and thirty-nine years 124-12 1/2 per cent.; one hundred and forty years 124-12 1/2 per cent.; one hundred and forty-one years 124-12 1/2 per cent.; one hundred and forty-two years 124-12 1/2 per cent.; one hundred and forty-three years 124-12 1/2 per cent.; one hundred and forty-four years 124-12 1/2 per cent.; one hundred and forty-five years 124-12 1/2 per cent.; one hundred and forty-six years 124-12 1/2 per cent.; one hundred and forty-seven years 124-12 1/2 per cent.; one hundred and forty-eight years 124-12 1/2 per cent.; one hundred and forty-nine years 124-12 1/2 per cent.; one hundred and fifty years 124-12 1/2 per cent.; one hundred and fifty-one years 124-12 1/2 per cent.; one hundred and fifty-two years 124-12 1/2 per cent.; one hundred and fifty-three years 124-12 1/2 per cent.; one hundred and fifty-four years 124-12 1/2 per cent.; one hundred and fifty-five years 124-12 1/2 per cent.; one hundred and fifty-six years 124-12 1/2 per cent.; one hundred and fifty-seven years 124-12 1/2 per cent.; one hundred and fifty-eight years 124-12 1/2 per cent.; one hundred and fifty-nine years 124-12 1/2 per cent.; one hundred and sixty years 124-12 1/2 per cent.; one hundred and sixty-one years 124-12 1/2 per cent.; one hundred and sixty-two years 124-12 1/2 per cent.; one hundred and sixty-three years 124-12 1/2 per cent.; one hundred and sixty-four years 124-12 1/2 per cent.; one hundred and sixty-five years 124-12 1/2 per cent.; one hundred and sixty-six years 124-12 1/2 per cent.; one hundred and sixty-seven years 124-12 1/2 per cent.; one hundred and sixty-eight years 124-12 1/2 per cent.; one hundred and sixty-nine years 124-12 1/2 per cent.; one hundred and seventy years 124-12 1/2 per cent.; one hundred and seventy-one years 124-12 1/2 per cent.; one hundred and seventy-two years 124-12 1/2 per cent.; one hundred and seventy-three years 124-12 1/2 per cent.; one hundred and seventy-four years 124-12 1/2 per cent.; one hundred and seventy-five years 124-12 1/2 per cent.; one hundred and seventy-six years 124-12 1/2 per cent.; one hundred and seventy-seven years 1

[illegible]

which rose 4 to 235p, while a small demand ahead of Friday's preliminary results left Smith Bros. a similar amount. The 361 centurion, to draw strength from a recent broker's circular, *Lampa* Securities returned to favour at 116p up 8.

On 19 last Friday on the counter-bid from European Ferries, *Felkstone Dock* turned easier in Shippings, losing 5 to 155p. A "sell" recommendation from the *Commonwealth* 4 off at 185p, but *Furness* revived with a gain of 5 to 215p. P & O Deferred rallied slightly to close 14 better at 97p 1/2.

Textiles were rough throughout the week. *Countdown*, touched 183p before closing a net 4 better at 161p, while *Nottingham Manufacturing* ended 3 dearer at 68p, the latter ahead of to-day's preliminary figures. *Wooltex* (interim figures due Thursday) hardened 3 to 23p, while similar improvements were seen in *Coats Patons*, 87p, and *Yongal* 87p 1/2. *Bombay Cotton* rose to rest 14 up at 53p following the increased first-half profits. *Bats* fared best among the *Tobacco* makers, rising 7 to 35p. *Imps* were shaken off 1/2 to 155p.

*Guthrie's* featured quick Plantations with a rise of 6 to 184p.

tended to lose ground in the fall in the investment premium and reflected confidence over the situation in the American dropped 10 to 256p; the company results are due any day now.

*De Beers*, a weak market sentiment, to attract persistent sellers, losing 258p.

South African Gold share continued to mark time in trading with a small selling; the upper hand followed initial modest fall in the price which was, however, unchanged at 181 3/4 per share. The price of gold fell further 1 1/2 to 193 1/2 in lower since December 27, 1973.

Australians were firmer in line with overnight. Although the fall in investment premium, interest here. *BOM* E gained 5 to 217p reflecting 1 in the copper price and 1/2 in the gold price, while *WES* was unchanged at 172p following phasing out of the latter-making. *Kanmantoo* copper in South Australia.

Tins were marked up to the recent strength of the *Ayer* Elitane rose 5 to 190. Elsewhere, *Barym* ad

**Demand for RTZ**

A feature in mining share markets was the strong interest shown by foreign investors in Rio Tinto Zinc, the shares of which rose 9 to 45p. A further factor in this was of course the rise in copper and this helped Selection Trust, another finance company with the major part of its assets in the Western Africa, which gained 15 to 48p.

Shares of the South African-based Finance Houses, however,

to 45p on speculative buying

**RISES AND FALLS YESTERDAY**

British Funds	Up	14
Consols	Up	56
Foreign Bonds	Up	12
Foreign Stocks	Up	67
Financial and Prop.	Up	21
Gold	Up	4
Home	Up	9
Recent Issues	Up	22
Total		1,600

## NEW HIGHS AND LOWS FOR 1975/76

The following securities (numbers in parentheses) among those quoted in the table below reached new highs and lows for 1975-76.

### NEW HIGHS (\$80)

BUTTERN FUND (3)	
Treas. Sec. 1975	Treas. Sec. 1976
Electric, Gas 74.77	Treas. Sec. 1980
Treas. Sec. 1975	Treas. Sec. 1980
Treas. Sec. 1975	Treas. Sec. 1980
Treas. Sec. 1975	Treas. Sec. 1980

### CORPORATIONS (1)

COMMUNWEALTHS (1)	
Moder. Spec. 1977	

### AMERICANS (9)

Bond	Rubber	P.F.
Carburandum	Merrill Lynch	
Crown Zinc	Meritor	
Crown Zinc	Meritor	
Crown Zinc	Meritor	

### CANADIANS (2)

Can. Pacific	Can. Pac.
Can. Pacific	Can. Pac.

### BUILDINGS CO.

Aluminum & Wire	Western Fin. Inc.
Chas. Galey	Westing. Ins. Co.

### CHEMICALS (7)

Aluminum & Wire	Western Fin. Inc.
Chas. Galey	Westing. Ins. Co.

## BASE LISTED RATES

Allied Irish Banks Ltd	
Anglo-Portuguese Bank	
Heury Ansbacher	
Banco de Bilbao	
Banco de Jerez	
Bank of Cyprus	
Bank of N.S.A.	
Banque du Rhone S.A.	
Barclays Bank	
Barnett, Christie Ltd.	
Bremar Holdings Ltd.	
Brit. Bank of Mid. East	
Brown Shipley	
Bank of Permanent AFJ	
Cayzer, Bowater Co. Ltd.	
Cedar Holdings	
Charterhouse Japhet	

[illegible]

Anglo Amer. Cpn.      Gold Mines. Kalganite  
 Security Trust Co. Ltd.  
 Shenley Trust .....  
 Standard Chartered ..  
 Thames Guaranty ..  
 Trade Development Bd.  
 Twentieth Century Bk.  
 United Bank of Kenya  
 Whiteway Laidlaw ..  
 Williams & Glyn's ..  
 Yorkshire Bank .....

■ Members of the Acceptance Committee.  
 \* 7-day deposits 5½, 1-month 7½.  
 \* 7-day deposits on terms of 21 under 5½; up to £25,000 over £25,000 6½.  
 \* Demand deposits 7½.  
 \* Call deposits over £1,000 5½.

Discount market deposits	Treasury Bills %	Bank Bills %	Flow trade Bills %
5 1/2 - 9	—	—	—
8 1/2 - 9	—	—	—
8 1/2 - 9	8 1/2	8 1/2 - 9	10 - 9 1/2
8 1/2 - 9	8 1/2	8 1/2 - 9	10 - 9 1/2
8 1/2 - 9	8 1/2	8 1/2 - 9	10 - 9 1/2
8 1/2 - 9	8 1/2	8 1/2 - 9	10 - 9 1/2
—	—	—	—
—	—	—	—
—	—	—	—

a. \* Longer-term local authority mortgages  
 rates 12 1/2 per cent. \* Bank bill rates in  
 10 1/2 per cent. and 10 1/2 per cent.  
 two-month 8 1/2 per cent. and three-  
 month 8 1/2 per cent. two-month 8 1/2 per  
 cent. and three-month 8 1/2 per cent. and three-month  
 per cent. from February 1. Clearing Bank  
 for lending 9 1/2 per cent. Clearing Bank

**CORAL INDEX**  
**Close 398-493**

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**I.G. INDEX**  
**GOLD 129-133**

**INSURANCE B. RATES**

Atlantic Assurance  
 Cannon Assurance

\* Address shown under Insur  
 Property Bond table.

هكذا هو الأصل

## INSURANCE, PROPERTY, BONDS

the 1990s, the number of people in the United States who are 65 years of age or older is projected to increase from 20 million to 30 million, and the number of people 75 years of age or older is projected to increase from 10 million to 15 million (U.S. Census Bureau, 1996). The number of people 85 years of age or older is projected to increase from 2 million to 4 million (U.S. Census Bureau, 1996). The number of people 90 years of age or older is projected to increase from 500,000 to 1 million (U.S. Census Bureau, 1996). The number of people 95 years of age or older is projected to increase from 100,000 to 200,000 (U.S. Census Bureau, 1996). The number of people 100 years of age or older is projected to increase from 10,000 to 20,000 (U.S. Census Bureau, 1996).

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## OFFSHORE AND OVERSEAS FUNDS

## NOTES

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# Polish motor industry to boost exports to the West

BY TERRY DODSWORTH

WARSAW, Feb. 24.

THE POLISH motor industry, now in the middle of a large-scale increase in production capacity, is planning a substantial expansion of its exports to the West.

Its programme includes an unprecedented new venture in the U.S. — the establishment this year of an annual assembly plant for 1,000 cars in Ireland, and the expansion of sales in the U.K. from about 2,000 cars last year to about 8,000 in 1980.

These exports are designed to counter-balance increasing imports from the West, which are centred on heavy engineering products and have recently included a batch of 100 Vauxhall Chevette cars, the first significant export of U.K. vehicles to the country for several years.

Polish-Fiat, licensed to make the old Italian Fiat 125 model now phased out in Italy, will remain the main vehicle for the attack on overseas markets, exporting a little over half its

annual production as this increases from the present 120,000 units a year to 160,000 by the end of the decade.

In the U.S. the company is aiming at an export target of about 8,000 models a year, small by Western standards, but highly significant in Eastern Europe since it would be the first venture by the Comecon motorcar industry into the U.S. market.

The plan has been under consideration for about two years and Polish cars that tests on a 125 engine suggest that it can be readily adapted to meet the stringent U.S. exhaust emission regulations.

The company believes that it will take about another year to put through the necessary production reorganisation in the Polish factory to meet these regulations on crash safety.

It is believed that the Russian Lada car factory, which also makes a former Fiat model (the

## Israel to open Wankel plant

By L. Daniel

HAIFA, Feb. 24.

PRODUCTION OF Wankel engines will be started at Carmiel near here in temporary premises by Savkal, the Israeli-American licensee, in April. Output in the first stage will be 50-100 air-cooled, 30-hp gasoline engines a month, until the bigger plant on an adjacent site is ready for production at the rate of 100,000 engines a year by 1977. The bulk of the output is intended for export with turnover, at present prices, seen at \$50m. annually.

## Hoesch pulls out of Australian steel plant

TOKYO, Feb. 24.

ESTEL HOESCH Hoogovens, the Dutch/West German steel concern has pulled out of the proposed \$A30m. multinational project to build a 10m. tonnes a year steel plant in Western Australia. This was announced today by Mr. Jack Anderson, Hoesch's general manager for steel planning and development, who chaired a two-day meeting here of participants in the project.

An Estel Hoesch spokesman in Germany confirmed that the group has pulled out of the project, explaining that the company did not feel that the price of steel produced by the proposed Australian plant would be low enough.

Mr. Anderson said that the 10 remaining partners have decided to postpone a decision on the venture for up to a year to see if changed steel market conditions permit them to go ahead.

Mr. Anderson added that the surplus world steel making capacity and the high level of steel companies rule out the project at present. He also cited a sharp increase in costs. One specific cost factor of "special concern" is shipping rates on the Australian coast, which are increasing rapidly to extremely high levels by world standards, Mr. Anderson said.

The number of participants in the venture was earlier cut from 13 by the withdrawal of two U.S. companies — National Steel and Jones and Laughlin — which decided they were hazy about financing the expansion programme, he said.

But Mr. Anderson stated that if a decision were eventually taken to go ahead, the number of partners could rise again, since several other companies from Europe and Australia had expressed interest in joining the project.

The present participants comprise five Japanese steel makers — Nippon Steel, Nippon Kokan, Sumitomo — Metal Industries, Kawasaki Steel and Kobe Steel — as well as BHP and Pilbara Iron of Australia, British Steel Corporation and Guest Keen and Nettlefold of the U.K. and American Metal Climax of the U.S.

## Combustion Engineering Iraq contract

STAMFORD, Conn., Feb. 24.

COMBUSTION Engineering has announced that a joint venture of its C-E Lummus subsidiary and Thyssen Rhein Stahl Technik of West Germany have signed a turnkey contract with Iraq for a petrochemical complex to be located near Basrah, Iraq. The contract price is in excess of \$100m. The company said, and is providing for design, supply and construction.

The complex using C-E Lummus ethylene technology will produce 180,000 tons a year of high and low-density polyethylene and PVC as well as 40,000 tons a year of caustic soda, with completion scheduled within five years.

## Trans-Sahara to Nigeria

By James Buxton

A REGULAR transport service to Nigeria using the trans-Sahara route is set to start next month, according to the shipping company Seavair Projects U.K. The service is to operate to Kano in northern Nigeria and promises a journey time from the U.K. of 15 days.

Lorries using the route will go to Agir, where the roll-off ferry from Marseilles. In Agir the goods will be unloaded into special desert trucks operated by the Algerian Societe Nationale Transports Routiers (SNTR), with which Seavair has signed an exclusive contract for one year. SNTR will operate weekly convoys of 200 to 350 tons, taking ten days to reach Kano. There the goods will clear customs and be forwarded to other destinations in Nigeria within 24 hours, Seavair claims.

SNTR, which insists on operating all services across the Sahara stretch, says the desert partly because of the shortage on fuel and water points. Seavair believes it will monopolise European trans-Saharan traffic between Agir and SNTR and thus dominate the shortest overland route to Nigeria.

The most important question is how the new service competes in speed and cost with its main rivals — roll-off ferries and air freight — and air charter services. Seavair quoted about \$7,000 for a 20 tonne load to Kano, and about \$3,000 for Lagos. Roll-off rates to Lagos using either Nigerian or Ghana ports are around \$4,000 to \$5,000, with Kano about \$3,000, but Seavair claims that it can offer greater speed because customs clearance at Kano is much faster. The air freight rate to Lagos is about \$9,000 for 20 tonnes and air charter is about \$7,000 — but both can be subject to serious delays in clearing customs.

Nigeria opened its ports, airports and borders yesterday after they had been closed for 12 days following the abortive coup attempt on February 13. The first British Caledonian flights for Nigeria were due to leave Gatwick last night.

# Carter makes primary election gamble

BY JUREK MARTIN, U.S. EDITOR

MANCHESTER, N.H., Feb. 24.

JIMMY CARTER may have put 14 Democrats, five of whom he has not yet named, on the New Hampshire primary election, in the course of a debate in Boston, Mass., he said in reply to a question that he would probably do away with the tax deductions allowed to home owners on their mortgage interest.

To be fair, the Democratic hopeful said that this would be just one part of a comprehensive tax reform he would institute as President. Details of which will be unveiled later this year. His advisors say that this plan would not single out the American home-owner for ininitial treatment.

But his political opponents are unlikely to be that charitable, especially since he is emerging as the man to beat in the Democratic Party. His obvious weakness is a tendency to equivocate on issues: should he be seen to change his mind on this highly sensitive matter he may find himself in trouble. It is only too easy to imagine the scare stories that his challengers might spread around.

The New Hampshire primary itself today consists of two parts: there is a straightforward Presidential preference poll, in which the voters are asked to choose between the two Republican candidates, President Ford and Ronald Reagan, on the one side, and Jimmy Carter on the other.

At the same time, the Republican side, the voters are asked to choose between the two Democratic candidates, Senator Jackson and Wallace J. Bennett, who are actually a key committee, whereas a high poll vote to help the President. The weather here, clear and not

on an at-large basis, the other six split between the state's two Congressional districts. Only the President and Mr. Reagan have full delegate slates running.

The Democrats will select a total of 17 delegates, nine from one Congressional district, eight from the other. The five major candidates (Carter, Udall, Bayh, Harris, Shriver) are running full slates; Senator Jackson, who has not campaigned here and is not on the preference ballot but who has been active in nearby Massachusetts, has a slate entered in his name, while another favourable to Senator Humphrey is also on the ballot card. There is no room for uncommitted delegates.

New Hampshire has 163,000 registered Democrats, 115,000 registered Republicans and 145,000 official independents, worse than expected is M. Republicans and Democrats are restricted to voting in their own primaries but independents may vote in either. Unregistered voters may not participate.

On the Republican side, the size of the turnout may determine whether Mr. Ford or Mr. Reagan wins (most people are unable to predict who is the stronger). A low poll, say 80,000, would probably benefit Mr. Reagan, whose supporters are more committed, whereas a high poll vote to help the President. The weather here, clear and not

## Nixon reveals in Chinese 'Head of State' treatment

PEKING, Feb. 24.

THE CHINESE are treating Mr. Richard Nixon with the ceremony usually reserved for a Head of State during his China visit and Mr. Nixon is responding by acting daily more like one.

He travels around the city in a large black limousine bearing the flags of China and the United States. This morning following a visit to the Peking Historical Museum, only recently reopened after some major "political" renovations, he walked in the shoes of the Chinese leader.

Mr. Nixon will have further lengthy talks with Mr. Hua and Mr. Chiao this afternoon, the third so far. Beyond describing the talks as being on international questions of common interest, the Chinese are revealing nothing. Mr. Nixon has been silent on details of the talks and said almost nothing to reporters since he arrived here.

The Chinese are making an effort to make the bewildering did not accompany President Ford when he sat in the same far beyond the customary seat in the same hall for a Chinese courtesy reserved for

## New York Governor likely to support anti-Concorde Bill

BY GUY DE JONQUIERES

GOVERNOR Hugh Carey of New York is expected to sign into law a Bill approved yesterday evening by both Houses of the State legislature which is designed to prevent the Concorde from landing at J. F. Kennedy international airport.

A spokesman at Governor Carey's office in the State capital at Albany said today that the Bill fits in with the general concern of the Governor about noise pollution. Mr. Carey has ten days in which to sign the legislation after he receives it.

In any event, it would be difficult for Governor Carey to resist the head of political steam that has built up in New York State over the Concorde issue. Legislation was passed by huge majorities — 47 to 10 in the State Senate and 139 to 4 in the Lower House — and was supported by many elected representatives with constituencies far distant from the airport.

The Bill proposes to lower the maximum noise limit for aircraft landing at Kennedy and all other air terminals administered by the New York-New Jersey Port Authority to 105 perceived noise level (PNL), the current level of 112 PNL, which the manufacturers of Concorde claim they can just meet. Aircraft now using the airports which do not meet this standard would be exempted for five years.

Because the legislation covers all Port Authority airports, it must be approved in identical form by the New Jersey legislature in order to take effect. A Bill similar to the one approved in Albany has been introduced into the New Jersey Assembly, though it has not yet been voted on. Its sponsors are hoping that it will reach the floor in the next ten days.

## Utilities tax plan studied

WASHINGTON, Feb. 24.

ADMINISTRATION TAX incentive proposals for electric utilities will do more for profitable companies than for those in need, according to a Congressional budget office analysis.

The report, released by the House Budget Committee, says that a permanent investment tax credit increase proposed by the administration to raise the investment tax credit from 10 per cent to 12 per cent for non-petroleum electric facilities

very cold, will not be a big factor in the 1976, a total of 118,000 registered Democrats, 115,000 registered Republicans and 145,000 official independents, worse than expected is M. Republicans and Democrats are restricted to voting in their own primaries but independents may vote in either. Unregistered voters may not participate.

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## Visit by Gei to Britain in the balance

By Hugh O'Shaughnessy

THE STATE visit to 1 of General Ernesto Gei, Brazilian President, scheduled for early May, may be in the balance this week, as the Brazilian President is expected to visit the Labour Party.

Today Labour's N. Executive Committee is a motion calling on the Government to cancel the visit. Normally the which is opposing the could count on a major the NEC but the vis been the object of very lobbying and the out not entirely predictable.

Some senior members Labour Party have said that if the visit does place they will boycott it. There are indications the NEC does take a attitude to the visit. The NEC does take a attitude to the visit. The NEC does take a attitude to the visit.

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## Export credits agreement

BY DAVID CURRY

BRUSSELS, Feb. 24.

OUTLINES of an agreement on controlling export credits have been reached between the Common Market's four major export countries and the U.S. and Japan. Talks in Paris between the four EEC countries which participated in the Rambouillet monetary summit meeting — France, Britain, Germany and Italy — and the U.S. and Japan have apparently succeeded in putting together a minimum range of floor rates on credits and at least shadowing in some controls over combining export credits and financial aid in single packages.

The conduct of the talks within the context of the Rambouillet declaration, which specifically committed participants to seek a "gentlemen's agreement" on export credit limitation, neatly dovetailed with the demand of the European Commission that EEC states how to a European Court of Justice decision which puts the export credit area within Commission competence. Although no formal reaction has come from Brussels, the Commission is likely to argue that it should put its seal of approval on the agreement to establish its right to carry ultimate responsibility for this matter.

The Commission's claim is spurring direct opposition from the French and is receiving scant endorsement from the U.K. and Germany who are arguing that legal tussles should be postponed. However, the smaller states attach far greater importance to export credit limitation, because within the EEC because they see a threat to their own exports in the constant multiplication of credit facilities offered by the bigger countries.

The details of the agreement reached in Paris are scanty, but it is thought that a 7½ per cent floor rate will apply to medium-term credits from two to five years with a minimum 8 per cent rate for poorer countries on longer credits and higher rates for the more well-off buyers, assessed on the GDP per head basis.

## ECGD new business drive

BY MARGARET HUGHES

THE Export Credits Guarantee Department has just published a promotional booklet "Market the World with ECGD" which is mailing to some 1,000 exporters which are not already policyholders.

This is the first time that ECGD has undertaken a promotional drive of this kind, which will be followed up by a telephone sales campaign. Since the department is run on a commercial basis, the aim is to step up business so that premiums can be kept down. The amount of business covered by the department has already increased considerably — 1974/75 showing the largest ever percentage rises.

## Britain lifts Thai air ban

BY OUR OWN CORRESPONDENT

BRITAIN TO-DAY removed a ban imposed at the beginning of the year against Thai carriers lifting passengers from Hong Kong to Japan after the British ambassador here, Sir David Davies, signed an agreement with the Thai Communications Minister specifying an overall limit of 7488 seats per week for both sectors between Bangkok through Hong Kong to Japan.

The ban has been given two weeks to divide the total between their two rival airlines, Thai International and Air Siam, and the Finance Minister, Boonchu Rojanasathien has set up a committee under his direction to implement the agreement. Employees of Thai Airlines, however, have threatened to go on strike against an earlier cabinet decision to allow Air Siam to operate to every three for Thai International on the Hong Kong-Japan run.

The agreement is the outcome of a compromise arrived at in London earlier this month which allows the Thais around 90 seats above the ceiling which the British have previously been bargaining for. However, a spokesman at the British embassy here says the main achievement of the negotiations is the formal recognition by the Thais that future seating capacities will be discussed and agreed upon by both sides.

The present capacity levels are valid until the end of June 1977 when they come up for review.

## Asahi Chemical Industry Co., Ltd.

6¼% Convertible Sinking Fund Debentures

Due March 31, 1984

NOTICE OF REDEMPTION

NOTICE IS HEREBY GIVEN to the holders of the 6¼% Convertible Sinking Fund Debentures Due March 31, 1984 (the "Debentures") of Asahi Chemical Industry Co., Ltd., a Japanese corporation (the "Company") that pursuant to Article 4 of the Indenture, dated as of March 15, 1969, between the Company and Morgan Guaranty Trust Company of New York, as Trustee (the "Trustee"), the Company has decided to redeem on March 31, 1976 all Debentures then outstanding in accordance with the provisions of the tenth paragraph of the Debentures.

The price at which the Debentures will be redeemed will be 102% of the principal amount thereof and will be U.S. \$1,020 per U.S. \$1,000 principal amount. In addition, the Company will pay to the holders of the coupons due on March 31, 1976 the amount of such coupons upon presentation and surrender of such coupons in accordance with the provisions of the Debentures and the coupons (with the Debentures taken at their principal amount translated into Japanese yen at the rate of 340 yen for each U.S. \$1) of 94.80 Japanese yen per share. Each holder who wishes to convert his Debentures must deposit his Debentures, together with all unexpired coupons, with any of the offices of the Paying Agents specified above before the close of business on March 29, 1976 in Brussels, accompanied by a written notice to convert, the form of which notice is available from any of the Paying Agents.

For the information of the Debentureholders, the reported closing prices of the shares of Common Stock of the Company on the Tokyo Stock Exchange during the period from January 14, 1976 to February 13, 1976 ranged from a high of 198 yen to a low of 161 yen per share. The reported closing price of such shares on the Tokyo Stock Exchange on February 13, 1976 was 162 yen per share.

ASAHI CHEMICAL INDUSTRY CO., LTD.

Dated: February 25, 1976



